

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

BILL 23-22: PERSONNEL AND HUMAN RESOURCES —PENSION AMOUNT — GROUP G

SUMMARY

The Office of Legislative Oversight (OLO) anticipates that Bill 23-22 could have a minimal, negative impact on racial equity and social justice (RESJ) in the County, as it would potentially reallocate \$1.1 to \$1.7 million annually in funding for programs benefitting all residents to Montgomery County Fire and Rescue Services (MCFRS) employees who are disproportionately White. OLO offers one recommended amendment for Council consideration to improve the RESJ impact of this Bill.

PURPOSE OF RESJ IMPACT STATEMENT

The purpose of RESJ impact statements 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.¹ Achieving racial equity and social justice usually requires seeing, thinking, and working differently to address the racial and social harms that have caused racial and social inequities.²

PURPOSE OF BILL 23-22

The goal of Bill 23-22 is to increase the pension amount for Group G members of the County's Employees' Retirement System (ERS).³ Group G employees include paid firefighter, paid fire officer, and paid fire rescue service personnel.⁴ If enacted, Bill 23-22 will increase the pension benefit of Group G employees by applying 5 percent of average final earnings for each year of credited service received from accumulated sick leave. The 5 percent rate is subject to a reduction amount once the member reaches Social Security retirement age. Group G employees currently receive 2.5 percent of average final earnings for 1 to 20 years of credited service and 2 percent for 21 to 31 years of credited service, including credited service received from accumulated sick leave.⁵

ERS is one of five retirement plans offered to County employees.⁶ The ERS is a defined benefit plan, which provides a fixed, pre-established benefit for employees at retirement.⁷ For Group G employees, credited years of service is one of several factors considered in determining the amount of an employee's pension benefit.⁸ Credited years of service is also a factor in determining when an employee can retire. Group G employees can convert accumulated unused sick leave for up to 2 years of credited service.

At the request of the County Executive, Bill 23-22 was introduced to the Council on July 26, 2022.

In September 2021, OLO published a RESJ impact statement (RESJIS) for Expedited Bill 7-22, Fire and Rescue Services – Credit Service for Group G Members.⁹ OLO builds on Bill 7-22's analysis for this RESJIS.

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FIRE PERSONNEL AND RACIAL EQUITY

Inequitable policies and practices have put careers in public safety out of reach for many Black, Indigenous, and Other People of Color (BIPOC). While the civil service has been a great pathway into the middle class for many people of color, generally, the higher-paying or more prestigious a job is, the less access BIPOC employees have.¹⁰ In turn, people of color have not been able to land a proportionate share of the higher-paying, higher profile public safety jobs as police officers and firefighters.¹¹

Historically, societal beliefs in White supremacy contributed to the concept that White men were most suited for policing and firefighting because they best demonstrated the traits of manliness, bravery, and nobility.¹² These beliefs extend to perceptions of the prototypical firefighter, despite a rich history of Black firefighting heroes that goes back to the early 19th century.¹³ Beliefs in White supremacy also led to segregated fire stations in the early 20th century. Post segregation, researchers note that racial discrimination was reinforced through nepotism and cronyism, where training and testing became an impermeable barrier for applicants who did not have a family legacy of firefighting (e.g., applicants of color). Conversely, White male recruits often received special mentoring and reduced scrutiny in hiring.¹⁴ Similar exclusions also prevented women from entering law enforcement professions.

Inequitable policies and practices have resulted in the underrepresentation of BIPOC and the over-representation of White people among public safety professionals, including police and fire service personnel. In terms of fire personnel, a review of national data demonstrates these disparities, where among employed people 16 years or older:^{15,16}

- 77.5 percent were White compared to 84.3 percent of firefighters.
- 18.0 percent were Latinx compared to 11 percent of firefighters.
- 12.3 percent were Black compared to 8.9 percent of firefighters.
- 6.6 percent were Asian compared to 2.6 percent of firefighters.

A review of available local data also demonstrates that BIPOC are under-represented among MCFRS personnel. More specifically, among residents 18 years or older:^{17,18}

- 45.6 percent were White compared to 72.6 percent of uniformed MCFRS personnel.
- 18.6 percent were Latinx compared to 7.0 percent of uniformed MCFRS personnel.
- 18.1 percent were Black compared to 9.2 percent of uniformed MCFRS personnel.
- 16.0 percent were Asian compared to 2.2 percent of uniformed MCFRS personnel.

ANTICIPATED RESJ IMPACTS

To consider the anticipated impact of Bill 23-22 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who are the primary beneficiaries of this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

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For the first question, OLO considered the demographics of uniformed MCFRS personnel in the County, as they would benefit from the increased pension proposed in this Bill. As described in the 'Fire Personnel and Racial Equity' section, local data suggests that White people are overrepresented among uniformed MCFRS personnel, while BIPOC are underrepresented. Thus, this Bill would disproportionately benefit White MCFRS employees.

For the second question, OLO considered how the Bill could affect representation in firefighting positions, given the pervasive underrepresentation of BIPOC in the profession. While the increased pension could generally attract more people to firefighting roles in the County – in the absence of changes to recruitment strategies, hiring practices, and organizational culture – it is unlikely the incentive alone would attract/retain sufficient BIPOC to reduce existing disparities.

Taken together, OLO anticipates that Bill 23-22 could have a negative impact on RESJ in the County, since it would disproportionately benefit White MCFRS employees and likely not address existing racial disparities among MCFRS personnel. The County's Office of Management and Budget estimates the increased pension proposed in this Bill will cost between \$1.1 and \$1.7 million per year, for a total of \$9.2 million over six years.¹⁹ Given the estimated cost, OLO anticipates the negative RESJ impact will be minimal.

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.²⁰ OLO finds that Bill 23-22 could have a minimal, negative impact on RESJ, as it would potentially reallocate \$1.1 to \$1.7 million annually in funding for programs benefitting all residents to MCFRS employees who are disproportionately White.

Should the Council seek to improve the RESJ impact of this Bill through incorporating recommending amendments or introducing companion legislation, the following policies can be considered:

- **Review findings from MCFRS comprehensive equity assessment and implement necessary policy changes/investments for diversifying the MCFRS workforce and addressing other RESJ concerns.** During FY22, MCFRS contracted with the National Academy of Public Administration (NAPA) to conduct a comprehensive equity assessment, including "a review of existing and proposed policies, practices, programs, and services for disparate outcomes based on gender, race, religion, sexual orientation, and other socioeconomic factors."²¹ The report is expected to be completed in September 2022. The Council could use findings from the report to identify and implement policy solutions/investments for diversifying the MCFRS workforce and addressing other RESJ concerns that may arise from the assessment.

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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¹ 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.raciaequitytools.org/glossary>

² Ibid

³ Bill 23-22, Personnel and Human Resources –Pension Amount – Group G, Montgomery County Council, Montgomery County, Maryland, Introduced July 26, 2022.

https://apps.montgomerycountymd.gov/ccllms/DownloadFilePage?FileName=2763_1_22381_Bill_23-2022_Introduction_20220726.pdf

⁴ “Summary Description for Sworn Fire Personnel in Retirement Group G,” Montgomery County Employee Retirement Plans, August 2021. https://www.montgomerycountymd.gov/mcerp/Resources/Files/GroupG%20Sworn%20Fire-08_2021a.pdf

⁵ Ibid

⁶ “About Montgomery County Employee Retirement Plans,” Montgomery County Employee Retirement Plans, Montgomery County, Maryland, Accessed August 8, 2022. <https://www.montgomerycountymd.gov/mcerp/about.html>

⁷ “Defined Benefit Plan,” Internal Revenue Service, Accessed August 8, 2022. <https://www.irs.gov/retirement-plans/defined-benefit-plan>

⁸ “Summary Description for Sworn Fire Personnel in Retirement Group G”

⁹ Racial Equity and Social Justice Impact Statement for Expedited Bill 7-22, Office of Legislative Oversight, Montgomery County, Maryland, April 29, 2022. <https://montgomerycountymd.gov/OLO/Resources/Files/resjis/2022/BillE7-22.pdf>

¹⁰ Ginger Adams Otis, “Why So Few of New York’s Bravest are Black,” The Atlantic, June 6, 2015.

<https://www.theatlantic.com/politics/archive/2015/06/black-firefighters-matter/394946/>

¹¹ Ibid

¹² Clarence Taylor, “Black Firefighters and the FDNY,” Book review of David Goldberg, Black Firefighters and the FDNY: The Struggle for Jobs, Justice, & Equity in New York City, New York Labor History Association, 2021.

http://newyorklaborhistory.org/web/?page_id=1714

¹³ Addington Stewart, “I Was a Firefighter for 35 Years. Racism Today is as Bad as Ever.” The New York Times, September 12, 2018.

<https://www.nytimes.com/2018/09/12/opinion/the-racism-inside-fire-departments.html>

¹⁴ Ibid

¹⁵ Latinx is an ethnicity rather than a race. Therefore, Latinx people are included in multiple racial groups throughout this impact statement, unless where otherwise noted.

¹⁶ “Employed persons by detailed occupation, sex, race, and Hispanic or Latino ethnicity,” Bureau of Labor Statistics, U.S. Department of Labor, 2021. <https://www.bls.gov/cps/cpsaat11.htm>

¹⁷ Table P3: Race for the Population 18 Years and Over, Table P4: Hispanic or Latino, and Not Hispanic or Latino by Race for the Population 18 Years and Over, 2020 Decennial Census, Census Bureau.

¹⁸ OLO analysis of unpublished Office of Human Resources (OHR) data as of May 6, 2022. Note, OHR tracks Latinx as a distinct racial category, thus Latinx people are not included in other racial groups for this variable.

¹⁹ Fiscal Impact Statement, Bill 23-22, Personnel and Human Resources – Amount of Pension – Group G Members, Office of Management and Budget, Montgomery County, MD, June 28, 2022.

²⁰ Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council

²¹ Memorandum from Susan Farag to Public Safety Committee, “MCFRS Audit” in Worksession: FY23 Operating Budget Montgomery County Fire and Rescue Service (PDF page 12), Montgomery County Council, Montgomery County, Maryland, April 15, 2022.

https://www.montgomerycountymd.gov/council/Resources/Files/agenda/cm/2022/20220420/20220420_PS3.pdf