

Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

EXPEDITED SPECIAL CAPITAL IMPROVEMENTS PROJECTS – 6TH DISTRICT BILL 16-22: POLICE STATION (P470301)

SUMMARY

The Office of Legislative Oversight (OLO) anticipates that Expedited Bill 16-22 could have a small to moderate, negative impact on racial equity and social justice (RESJ) in the County as it will potentially re-allocate \$11.5 million in local funding for programs benefitting all residents to business owners and Montgomery County Police Department (MCPD) employees who are disproportionately White. While people of color account for a majority of residents in Gaithersburg and Montgomery Village, it is unclear the extent to which the new police station will benefit residents in these communities, given the disparities in MCPD's interactions with residents of color. OLO offers two recommended amendments for Council consideration to improve the RESJ impact of this Bill.

PURPOSE OF RESJ IMPACT STATEMENT

The purpose of racial equity and social justice (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 EXPEDITED BILL 16-22

Expedited Bill 16-22 has two purposes. The first purpose is to reauthorize the 6th District Police Station project, originally enacted in 2005 and reauthorized in 2010.³ A third authorization is needed because project construction has not yet begun. The new reauthorization will enable the construction of the police station and an accompanying parking garage.

The Bill's secondary purpose is to authorize a capital improvement project whose locally funded cost will exceed \$20,350,000. The Bill will enable the 6th District Police Station to be classified as a "Special Capital Improvement Project" and allow the Executive Branch to move forward with constructing this project.⁴ Under County law, the County Council must authorize "Special Capital Improvements Projects" if their local costs exceed a given threshold, which is set at \$20,350,000 for FY23.

The Executive estimates that the cost of planning, design, and construction for the 6th District Police Station will total \$31,907,000 for the FY23-28 Capital Improvement Program.⁵ Since the anticipated cost of constructing the 6th District Police Station exceeds the FY23 local funding threshold by \$11.5 million, the Executive needs the Council's authorization and approval through legislation to move forward. The new police station will serve Gaithersburg, Montgomery Village, and vicinity. Expedited Bill 16-22 was introduced to the Council on June 14, 2022.

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RACIAL EQUITY AND PUBLIC POLICY

The nation's history of racial and ethnic exclusion as public policy – from land theft and enslavement to voter disenfranchisement, de jure segregation, and race-based government investments that grew a White middle class at the expense of the communities of color – has fostered racial inequities in practically every aspect of life. For example, as noted in the Racial Equity Profile for Montgomery County:⁶

- 43 percent and 49 percent of Black and Latinx residents are homeowners, compared to 73 percent of White residents.
- While they respectively comprise 15 percent of businesses, Black and Latinx-owned businesses each earn less than 2 percent of all revenues in the County.
- The poverty rates of Latinx and Black children are respectively four to five times the poverty rate of White children.
- While Black and Latinx residents each account for 19 percent of the population, they account for 44 percent and 26 percent of arrests.
- Black residents experience the highest rates of mortality for heart disease, stroke, and breast cancer.

Overall, White residents experience better outcomes than residents of color on favorable outcomes, and racial disparities often persist even when controlling for income, employment, or education. Researchers consistently note that the persistence of race as predictors of opportunities and outcomes primarily reflects the impact of systemic racism on Black, Indigenous and Other People of Color (BIPOC) rather than differences in behaviors by race.

As a variety of public policies have created and sustained racial inequities over time, public policy through legislation can also be a tool for reducing racial and social inequities. For example, legislation can promote racial equity and social justice by advancing policies and best practices that address the underlying racial and social inequities that foster racial and social disparities.

Alternatively, legislation can also undermine racial equity and social justice by ignoring the likely impacts its provisions may have on existing racial and social disparities. For example, legislation can be developed that broadly seeks to promote a public good. Yet, if legislators fail to consider the potential differential impact of legislation on individuals and communities of color, they may, without intent, advance policies and practices that sustain or worsen existing racial and social disparities. To minimize this potential problem, the County's RESJ Act and Amendments (Bills 27-19 and 44-20) require OLO to evaluate the anticipated impact of each bill and zoning text amendment introduced to the Council.

ANTICIPATED RESJ IMPACTS

To consider the anticipated impact of Expedited Bill 16-22 on racial equity and social justice in the County, OLO staff considered 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 compared the demographics of residents in Gaithersburg/Montgomery Village who will be served by the 6th District Police Station to the demographics of the County as a whole. Census data summarized in Table 1 demonstrates that the Gaithersburg and Montgomery Village communities have larger proportions of BIPOC residents than the County as a whole. Whereas 20.5 percent of County residents are Latinx, 28.5 percent and 36.9 percent of Gaithersburg and Montgomery Village residents are Latinx. Asian residents are overrepresented in Gaithersburg, while Black residents are overrepresented in Montgomery Village. White residents are underrepresented in both communities.

The median household incomes in Gaithersburg (\$91,845) and Montgomery Village (\$82,135) are lower than the median household income in the County (\$111,812). Of note, the median household income of Black and Latinx residents in the County is \$78,246 and \$79,981, compared to \$131,602 for White residents.⁷

Table 1: Percent of Residents by Race and Ethnicity, Montgomery County, Gaithersburg, and Montgomery Village

Race and ethnicity ⁸	Montgomery County	Gaithersburg	Montgomery Village
Asian	15.4	19.1	11.0
Black	18.6	16.6	23.4
White	43.1	34.8	27.9
Latinx	20.5	28.5	36.9

Source: 2020 Decennial Census (Table P1, P2), Census Bureau.

The Montgomery County Police Department (MCPD) personnel, including those assigned to the Central Traffic Unit, also benefit from having a new and improved workspace. Data summarized in Table 2 demonstrates that MCPD personnel are Whiter than the County's population. Whereas 45.6 percent of County residents are White, 64.8 percent of MCPD employees are White. Conversely, Asian, Black, and Latinx people are underrepresented as MCPD employees. Thus, the MCPD workforce beneficiaries of this Bill will be disproportionately White.

Table 2: Percent of Residents 18 Years and Over and MCPD Employees by Race and Ethnicity, Montgomery County

Race and ethnicity	Percent of Residents 18 Years and Over	Percent of MCPD Employees ⁹
Asian	16.0	4.6
Black	18.1	14.2
White	45.6	64.8
Latinx	18.6	9.1

Source: 2020 Decennial Census (Table P3, P4), Census Bureau. OLO Analysis of 2022 unpublished Office of Human Resources data.

The construction businesses, related firms, and workers in this sector that will have access to the \$11.5 million in additional local revenue authorized by the Bill will also benefit from this legislation. Data referenced in Tables 3 and 4 show that construction business owners in the District of Columbia metropolitan area are disproportionately White, while the construction workforce is disproportionately Latinx. Since business ownership often yields greater economic benefits than employment, White business owners are likely to reap most of the economic benefits from this Bill.¹⁰

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Table 3: Percent of Residents 18 Years and Over and Percent of Employer Firms in All Sectors and Construction Sector by Race and Ethnicity, Washington-Arlington-Alexandria, DC-VA-MD-WV Metro Area

Race and ethnicity	Percent of Residents 18 Years and Over	Percent of Employer Firms, All Sectors (NAICS 00)	Percent of Employer Firms, Construction Sector (NAICS 23)
Asian	11.2	19.3	4.8
Black	24.5	6.8	3.8
White	46.8	73.5	91.3
Latinx	15.3	6.6	16.3

Source: 2020 Decennial Census (Table P3, P4), 2017 American Business Survey (Table AB1700CSA01), Census Bureau.

Table 4: Percent of Residents 18 Years and Over and Employees in Construction-Related Occupations by Race and Ethnicity, Montgomery County

Race and ethnicity	Percent of Residents 18 Years and Over	Percent of Employees in Construction-Related Occupations
Asian	16.0	4.1
Black	18.1	6.2
White	45.6	43.6
Latinx	18.6	64.7

Source: 2020 Decennial Census (Table P3, P4), OLO Analysis of 2020 American Community Survey Public Use Microdata Sample (PUMS), Census Bureau.

Finally, it remains unclear whether a new 6th District Police Station could impact the racial disparities that characterize the MCPD's interactions with the public. For example, Black and Latinx residents generally experience higher rates of traffic stops, arrests, and uses of force than White and Asian residents.^{11,12} It is unlikely that any of these disparities will diminish due to a new police station. Yet, the \$11.5 million being authorized for a new police station could instead be re-allocated to fund best practices aimed at reducing racial disparities in policing, perhaps in the operating budget.

Overall, since Expedited Bill 16-22 would authorize the reallocation of \$11.5 million in local funds towards a project that disproportionately benefits White MCPD employees and business owners, and to a lesser extent Latinx employees in the construction sector, the net effect of this Bill is to potentially widen racial and social disparities. While BIPOC residents of Gaithersburg and Montgomery Village are also anticipated beneficiaries of this Bill, it is unclear the extent to which the new police station will benefit residents given the disparities in MCPD's interactions with residents of color. Given the size of the authorization and the indeterminant impact on BIPOC residents, OLO anticipates that the negative RESJ impact will be small to moderate.

Of note, OLO's analysis assumed that residents of the Gaithersburg and Montgomery Village communities would be the primary resident beneficiaries of the 6th District Police Station construction project. A more comprehensive equity analysis could consider whether the project would benefit residents within a larger or smaller radius and provide a more precise understanding of affected residents and RESJ impact. See 'Recommended Amendments' for more information on equity reviews for Capital Improvement Programs.

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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.¹³ OLO finds that Expedited Bill 16-22 could potentially widen racial and ethnic inequities if it benefits White MCPD employees and construction business owners more than it benefits the diverse residents of Gaithersburg/Montgomery Village or the Latinx personnel most likely to staff this construction project. Should the Council seek to improve the RESJ impact of the Bill through recommended amendments or introducing companion legislation, the following policies can be considered before the Council *appropriates* any local funding for the 6th District Police Station authorized under this Bill.

- **Require Equity Review of the Capital Improvement Program.** To understand and address potential racial and social inequities in capital investments, the County could consider conducting a comprehensive equity review of the Capital Improvements Program (CIP). For instance, in 2019, the Baltimore City Department of Planning (DoP) partnered with the Baltimore Neighborhood Indicators Alliance (BNIA) to develop a methodology for conducting an annual equity analysis of the City's CIP.¹⁴ The analysis developed indicators to measure CIP investments across four areas of equity, based on the Urban Sustainability Directors' Network (USDN) equity lens:
 - **Distributional Equity:** Does the distribution of civic resources and investment explicitly account for potential racially disparate outcomes?
 - **Transgenerational Equity:** Does the policy or project result in unfair burdens on future generations?
 - **Structural Equity:** What historic advantages or disadvantages have affected residents in the given community?
 - **Procedural equity:** How are residents who have been historically excluded from planning processes being authentically included in the planning, implementation, and evaluation of the proposed policy or project?

Since the release of the original report, the DoP has continued an annual equity review¹⁵ of the CIP through analyzing CIP investments in the City's 55 Community Statistical Areas (CSAs)¹⁶ along with the CSAs' race and income demographics. The analysis also accounts for the varying influence of CIP projects by identifying projects as having local, multi-neighborhood, or Citywide impacts. The annual analysis has prompted several improvements, including more proactive equity analysis during the CIP decision making process.¹⁷

- **Increase Access to Construction Opportunities to BIPOC-Owned Businesses and Workers.** The County's 2014 Disparity Study found that while Black-owned firms accounted for 11 percent of the construction marketplace compared to less than 2 percent of prime contracts with the County.¹⁸ Conversely, White male firms accounted for 74 percent of the construction marketplace and 79 percent of prime contracts, and Latinx-owned firms accounted for 6 percent of the construction marketplace and 13 percent of prime contracts.¹⁹ The County could advance RESJ by proactively identifying and contracting BIPOC-owned businesses for CIP funded projects and other project needs.

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.racialequitytools.org/glossary>

² Ibid

³ Expedited Bill 15-22, Special Capital Improvements Projects – 6th District Police Station (P470301), Montgomery County, Maryland, Introduced June 14, 2022.

https://www.montgomerycountymd.gov/council/Resources/Files/agenda/col/2022/20220614/20220614_3H.pdf

⁴ Ibid

⁵ Ibid

⁶ Jupiter Independent Research Group, OLO Report 2019-7: Racial Equity Profile Montgomery County, Office of Legislative Oversight, July 15, 2019. https://www.montgomerycountymd.gov/OLO/Resources/Files/2019%20Reports/OLO2019-7-6_20_19.pdf

⁷ Table S1903: Median Income in the Past 12 Months, 2020 American Community Survey, Census Bureau.

https://data.census.gov/cedsci/table?t=Income%20%28Households,%20Families,%20Individuals%29&g=0500000US24031_160000US2431175,2453325&tid=ACST5Y2020.S1903

⁸ 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.

⁹ The Office of Human Resources tracks Latinx as a distinct racial category, thus Latinx people are not included in other racial groups for this variable.

¹⁰ Brian Headd, “Small Business Facts: The Importance of Business Ownership to Wealth,” Office of Advocacy, U.S. Small Business Administration, August 2021. <https://cdn.advocacy.sba.gov/wp-content/uploads/2021/08/17095726/Small-Business-Facts-Business-Owner-Wealth.pdf>

¹¹ 2021 Annual Use of Force Report, Montgomery County Police Department, Montgomery County, Maryland.

<https://www.montgomerycountymd.gov/pol/Resources/Files/Annual-Reports/UseOfForce/2021%20MCPD%20Use%20of%20Force%20Report.pdf>

¹² Elaine Bonner-Tompkins and Natalia Carrizosa, Local Policing Data and Best Practices, Office of Legislative Oversight, Montgomery County, Maryland, July 21, 2020. <https://www.montgomerycountymd.gov/OLO/Resources/Files/2020%20Reports/OLORReport2020-9.pdf>

¹³ Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council

¹⁴ Baltimore Neighborhood Indicators Alliance, “Equity Analysis of Baltimore City’s Capital Improvement Plan, FY 2014 – FY 2020”, Baltimore City Department of Planning, Baltimore City, Maryland, August 2019.

<https://planning.baltimorecity.gov/sites/default/files/Final%20Report%20-%20CIP%20Analysis%20August%202019.pdf>

¹⁵ “CIP and Equity,” Baltimore City Department of Planning, Baltimore City, Maryland, Accessed June 22, 2022.

<https://planning.baltimorecity.gov/capital-improvement-program/cip-and-equity>

¹⁶ Community Statistical Areas, developed by the City’s DoP, are clusters of neighborhoods organized around census tract boundaries. See “Vital Signs: Community Statistical Areas,” <https://bniajfi.org/communities/>.

¹⁷ “FY22 Capital Improvement Program Equity Analysis,” Baltimore City Department of Planning, Baltimore City, Maryland, June 2021. <https://planning.baltimorecity.gov/sites/default/files/FY22%20CIP%20Equity%20Analysis.pdf>

¹⁸ Griffin & Strong, PC, “Disparity Study Final Report,” Office of the County Attorney, Montgomery County, Maryland, June 11, 2014.

<https://www.montgomerycountymd.gov/cat/services/disparitystudy.html>

¹⁹ Ibid