

# Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

## EXPEDITED BILL 15-25: SPECIAL CAPITAL IMPROVEMENTS PROJECT – NEW ORGANICS PROCESSING FACILITY (P802508)

### SUMMARY

The Office of Legislative Oversight (OLO) finds the anticipated racial equity and social justice (RESJ) impact of Expedited Bill 15-25 is indeterminant. Several factors are unknown in determining how the New Organics Processing Facility will ultimately impact racial and social inequities in the County.

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### PURPOSE OF RESJ IMPACT STATEMENTS

RESJ impact statements (RESJIS) evaluate the anticipated impact of legislation on racial equity and social justice in the County. RESJ is a **process** that focuses on centering the needs, leadership, and power of Black, Indigenous, and other People of Color (BIPOC) and communities with low incomes. RESJ is also a **goal** of eliminating racial and social inequities. Applying a RESJ lens is important to achieve RESJ.<sup>1</sup> This involves seeing, thinking, and working differently to address the racial and social inequities that cause racial and social disparities.<sup>2</sup>

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### PURPOSE OF EXPEDITED BILL 15-25

County law requires the County Executive to prepare, and the Council to adopt, a Capital Improvements Program (CIP) every other year.<sup>3,4</sup> The CIP is a six-year plan for long-term investments in County facilities and infrastructure, commonly referred to as “capital projects.” These include projects such as schools, transportation systems, and libraries. The CIP can be amended between biennial updates to address changing needs and priorities.

Each year, the Council approves a Capital Budget that is prepared by the County Executive. The annual Capital Budget provides yearly appropriations for capital projects and must be consistent with the CIP.<sup>5</sup> County law further requires the Council to individually authorize “special capital improvement projects” where the cost exceeds a certain threshold. This threshold is currently \$25,190,000 in FY26 dollars.<sup>6</sup>

The purpose of Expedited Bill 15-25 is to authorize the planning and construction of a New Organics Processing Facility.<sup>7</sup> The facility would process food scraps into soil amendments that could be used in lawns and gardens. It would also allow the Countywide expansion of the current limited food scraps collection program. Currently, no facility in the County can process the amount of waste that would be generated by a Countywide program. The County plans to modify an existing facility in the Dickerson-Barnesville area to process food scraps. The facility currently processes yard trimmings.<sup>8</sup>

The New Organics Processing Facility project is estimated to cost \$28,000,000.<sup>9</sup> Because its cost exceeds the local funding threshold, the Council must individually authorize the project before it can proceed.<sup>10</sup>

The Council introduced Expedited Bill 15-25 on behalf of the County Executive on May 22, 2025.

This RESJIS builds on the following:

- RESJIS for Expedited Bill 26-23, Capital Improvements Program – White Flint Fire Station 23. Please refer to this RESJIS for background on capital improvement planning and racial equity.<sup>11</sup>

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- Climate Assessment for Expedited Bill 15-25 Special Capital Improvements Project – New Organics Processing Facility. Please refer to this assessment for background on the environmental impacts of food scrap diversion.<sup>12</sup>

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### ANTICIPATED RESJ IMPACTS

To consider the anticipated impact of Expedited Bill 15-25 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who would primarily benefit or be burdened by this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

OLO identified the following groups who would be impacted by Bill 15-25:

- **All community members in the County** will benefit from reduced greenhouse gas emissions from diverting food waste from the County's landfill and processing into soil amendments.<sup>13</sup> This would proportionately benefit all community members by race and ethnicity.
- **Community members living near waste management facilities** will benefit from reduced pollution from receiving and/or processing less food waste at these sites. According to the Northeast Maryland Waste Disposal Authority, all waste in the County is primarily managed between two sites: the Shady Grove Transfer Station in Derwood and the Resource Recovery Facility in Dickerson.<sup>14</sup> Table A (Appendix) includes the demographics of the Census tracts where these facilities are located by race and ethnicity. The data shows the Derwood facility is in a Census tract that is disproportionately Asian and Latinx, while the Dickerson facility is in a tract that is disproportionately White.<sup>15</sup>
- **Construction business owners and employees** will benefit from increased revenue and employment opportunities through the construction project. Data in Table B (Appendix) suggests that White people are largely overrepresented among construction business owners in the County. Latinx people are also overrepresented among these business owners, but to a much lesser extent. Further, data in Table C (Appendix) suggests that Latinx community members are much more likely to be employed in the construction sector, given their rate of employment in natural resources, construction, and maintenance occupations. However, given the predominance of White people among construction business owners and the significant economic benefit of business ownership over employment,<sup>16</sup> White business owners are likely to reap the greatest economic benefits from this project.

However, there are several unanswered questions for determining how this project will ultimately impact racial and social inequities. These include but are not limited to:

- Will multifamily buildings be included in the expanded food scraps recycling program?
- How will the County engage BIPOC community members in outreach and education on food scraps recycling?
- How will the County use the soil amendments that are produced at the facility?
- How will BIPOC be recruited into long-term procurement and employment opportunities that may be created through the new facility?
- Will the new facility result in changes to waste management costs that disproportionately burden BIPOC community members?

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Further, there are several other considerations outside of the scope of this analysis that are necessary to have an accurate understanding of how this project will impact racial and social inequities in the County as a part of the overall CIP. A comprehensive analysis of the CIP as discussed in previous RESJISs<sup>17</sup> and in the policy options offered next could address these questions.

As such, OLO finds the anticipated RESJ impact of Bill 15-25 is indeterminate.

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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.<sup>18</sup> OLO finds the anticipated RESJ impact of Expedited Bill 15-25 is indeterminate. As such, OLO does not offer recommended amendments. However, should the Council seek to improve the RESJ impact of this Bill, OLO offers three policy options for Council consideration:

- **Engage BIPOC community members in development of Countywide food scraps recycling program.** Developing any policy or program that advances RESJ, including environment justice,<sup>19</sup> requires community engagement that centers the needs and priorities of BIPOC community members.<sup>20</sup> The Council could support efforts that encourages the Department of Environmental Protection (DEP) to prioritize engagement with BIPOC communities in developing the expanded food scraps recycling program.
- **Commission Equity Review of the Capital Improvements Program.** To understand and address potential racial and social inequities in capital investments, the Council could consider commissioning a comprehensive equity review of the Capital Improvements Program. For instance, as described in the RESJIS for Bill 26-23, the Baltimore City Department of Planning partnered with the Baltimore Neighborhood Indicators Alliance to develop a methodology for conducting an annual equity analysis of the City's CIP.<sup>21</sup> The analysis developed indicators to measure CIP investments across four areas of equity: distributional, transgenerational, structural, and procedural. The analysis also accounted for the varying influence of CIP projects by identifying projects as having local, multi-neighborhood, or Citywide impacts.<sup>22</sup>
- **Increase Access to CIP Construction Opportunities to BIPOC-owned businesses and workers.** The County's 2024 Disparity Study found that compared to their availability in the marketplace, Black, Native American, and Asian-owned firms are underutilized in County procurement contracts for construction. Conversely, White male and Latinx-owned firms are overutilized.<sup>23</sup> The Council could advance RESJ by supporting efforts to proactively identify and contract BIPOC-owned businesses for CIP projects. PolicyLink's "Strategies for Addressing Equity in Infrastructure and Public Works" offers best practices for incorporating historically excluded workers and businesses into employment and procurement opportunities.<sup>24</sup>

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### 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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### APPENDIX

**Table A: Population by Race and Ethnicity, Select Census Tracts**

Race or ethnicity <sup>25</sup>	Shady Grove Transfer Station, Derwood (Tract 7007.28)	Resource Recovery Facility, Dickerson (Tract 7005)	% County Population
Asian	22.6	8.1	15.2
Black	12.5	2.8	18.6
Native American	1.1	0.0	0.5
Pacific Islander	0.0	0.0	0.0
White	41.4	75.8	44.4
Latinx	24.2	11.3	20.6

Source: [Table DP05, 2023 American Community Survey 5-Year Estimates, Census Bureau.](#)

**Table B: Percent of Construction Business Owners by Race and Ethnicity, Montgomery County**

Race or ethnicity	Construction Business Owners (NAICS 23) <sup>26,27</sup>	% County Population
Asian	7.5	15.2
Black	3.9	18.6
White	85.1	44.4
Latinx	26.7	20.6

Source: [Table AB2200CSA01, 2022 Annual Business Survey](#) and Table DP05, 2023 American Community Survey 5-Year Estimates, Census Bureau.

**Table C: Rate of Employment in Natural Resources, Construction, and Maintenance Occupations by Race and Ethnicity, Montgomery County**

Race or ethnicity	Rate of Employment in Natural Resources, Construction, and Maintenance Occupations
Asian	2.5
Black	3.0
White	3.4
Latinx	20.4
County	6.3

Source: [Table S0201, 2023 American Community Survey 1-Year Estimates, Census Bureau.](#)

<sup>1</sup> Definition of racial equity and social justice adopted from [Marlysa Gamblin et al., “Applying Racial Equity to U.S. Federal Nutrition Programs,” Bread for the World](#) and [Racial Equity Tools](#).

<sup>2</sup> Ibid.

<sup>3</sup> [Montgomery County Code § 302](#)

<sup>4</sup> [Capital Improvements Program \(CIP\), Montgomery County Operating Budget.](#)

<sup>5</sup> [Montgomery County Code § 303](#)

<sup>6</sup> [Montgomery County Code § 20-1](#)

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<sup>7</sup> [Introduction Staff Report for Expedited Bill 15-25, Montgomery County Council, Introduced May 22, 2025.](#)

<sup>8</sup> New Organics Processing Facility Project Description Form, Introduction Staff Report for Expedited Bill 15-25, pg. (7).

<sup>9</sup> Ibid.

<sup>10</sup> Introduction Staff Report for Bill 15-25.

<sup>11</sup> [RESJIS for Bill 26-23, Office of Legislative Oversight, June 8, 2023.](#)

<sup>12</sup> [Climate Assessment for Bill 15-25, Office of Legislative Oversight, June 6, 2025.](#)

<sup>13</sup> Ibid.

<sup>14</sup> [Projects and Services, Montgomery County](#), Northeast Maryland Waste Disposal Authority.

<sup>15</sup> These Census tracts approximate the community members who are directly impacted by changes to the waste management facilities. Community members who live in neighboring Census tracts are likely also impacted.

<sup>16</sup> [Brian Headd, "Small Business Facts: The Importance of Business Ownership to Wealth," Office of Advocacy, U.S. Small Business Administration, August 2021.](#)

<sup>17</sup> RESJIS for Bill 26-23.

<sup>18</sup> [Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council.](#)

<sup>19</sup> [Renee Skelton, Vernice Miller, and Courtney Lindwall, "The Environmental Justice Movement," NRDC, August 22, 2023.](#)

<sup>20</sup> [Janmarie Peña and Chitra Kalyandurg, OLO Report 2024-8: Community Engagement for Racial Equity and Social Justice, Office of Legislative Oversight, March 12, 2024.](#)

<sup>21</sup> [Baltimore Neighborhood Indicators Alliance, "Equity Analysis of Baltimore City's Capital Improvement Plan, FY 2014 – FY 2020," Baltimore City Department of Planning, August 2019.](#)

<sup>22</sup> Ibid

<sup>23</sup> [MGT, Montgomery County, MD 2024 Disparity Study, Office of Procurement, September 23, 2024, pg. 60.](#)

<sup>24</sup> [Kalima Rose and Judith Dangerfield, "Strategies for Addressing Equity in Infrastructure and Public Works," PolicyLink.](#)

<sup>25</sup> Race is inclusive of Latinx origin for data points presented in this RESJIS, unless otherwise noted. Estimates for Native American and Pacific Islander community members are not available for all data points in this RESJIS.

<sup>26</sup> The construction sector includes establishments that are primarily engaged in the construction of buildings or engineering projects (e.g., highways and utility systems). This sector also includes establishments primarily engaged in the preparation of sites for new construction and subdividing land for sale as building sites. Refer to [Sector 23—Construction, 2022 NAICS Definition, North American Industry Classification System, Census Bureau.](#)

<sup>27</sup> Margins of error for these data points may be large.