

MEMORANDUM

GO COMMITTEE #5
April 24, 2023

TO: Government Operations and Fiscal Policy Committee

FROM: Selena Mendy Singleton, Racial Equity Manager

SUBJECT: **Office of Racial Equity Social Justice FY24 Operating Budget**

PURPOSE: Make Committee Recommendation for Council Consideration

Expected Participants:

- Tiffany Ward, Director, Office of Racial Equity and Social Justice
- Anita Aryeetey, Fiscal & Policy Analyst, Office of Management and Budget

The County Executive's complete FY24 Recommended Operating Budget for the Office of Racial Equity and Social Justice (ORESJ) is attached at © 1-4.

Summary of FY24 Recommended Budget and Key Discussion Issues

| Racial Equity and Social Justice | FY21 Approved | FY22 Approved | FY23 Approved | FY24 Recommended | Change from FY23 Approved |
|---|----------------------|----------------------|----------------------------------|---------------------------------|----------------------------------|
| Total Expenditures General Fund | \$581,304 | \$1,001,712 | \$1,276,440 | \$1,398,979 | +9.60% |
| Personnel Costs | \$304,304 2 FTEs | \$731,420 6 FTEs | \$1,029,044 7 FTEs .5 PTEs | \$1,158,683 8 FTEs .5PTEs | +13.3% |
| Operating Costs | \$277,000 | \$270,292 | \$247,396 | \$240,296 | -2.9% |

- I. The County Executive's FY24 recommended operating budget for the Office of Racial Equity and Social Justice (ORESJ) totals **\$1,398,979, an increase of \$122,539 or 9.6%** from the FY23 approved budget. The Executive recommends 8.5 FTEs for the ORESJ in FY24, an increase of 1FTE from FY23. Personnel costs comprise 82.82% of the budget, operating expenses comprise the remaining 17.18% of the budget. The changes included in the Executive's recommendation are summarized below:

A. FY24 Recommended Budget Changes (with Service Impacts)

- **An increase of \$96,069** for an additional 1FTE for a Data Analyst for data management and implementation of a Racial Equity dashboard as required by the Racial Equity and Social Justice (RESJ) Act.

B. FY24 Recommended Budget Changes (with no Service Impacts)

- **An increase of \$47,965** for the annualization of FY23 lapsed positions.
- **An increase of \$35,967** for the annualization of FY23 compensation increases.
- **An increase of \$26,274** for an FY23 compensation adjustment.
- **An increase of \$796** for printing and mail adjustment.
- **A decrease of \$1,471** for a Retirement Adjustment.
- **A decrease of \$12,396** for the Elimination of One-Time Items Approved in FY23.
- **A decrease of \$70,665** for the annualization of FY23 personnel costs.

C. ORESJ Staffing

FY22. In FY22, two Program Manager II positions were added, one responsible for assisting departments in the use of racial equity budget tools, the second to work with all Montgomery County departments on data analysis to define program outcomes, strategies, and performance measures.

FY23. The County Executive's recommended budget included 7.5 FTEs for the ORESJ in FY23, which included an increase of 1.5 FTEs from FY22. The increase included 1 FTE Program Manager II, and one .5 FTE Administrative Specialist I.

FY24. The County Executive's recommended budget includes 8.5 FTEs for the ORESJ in FY24, which includes an increase of 1 FTE from FY23 – 1 data analyst.

The staff now includes 7.5 FTEs, in addition to Ms. Ward, five program managers, and two administrative specialists. The County Executive is requesting **an increase of \$122,539** for an additional data analyst. The data analyst will work with the director as well as internal departments, to determine what data should be disaggregated and reported to the County and ORESJ.

II. UPDATES ON THE IMPLEMENTATION OF THE RACIAL EQUITY AND SOCIAL JUSTICE ACT

A. Racial Equity and Social Justice Act

On November 19, 2019, the County Council enacted Bill 27-19 unanimously, with Councilmember Nancy Navarro as the lead sponsor (effective, March 2, 2020). The Council enacted Bill 44-20 amending Bill 27-19 on December 1, 2020 (effective, March 12, 2021).

Bill 27-19 may be found here:

<https://www.montgomerycountymd.gov/COUNCIL/Resources/Files/RacialEquity/Bill27-19.pdf>;

Bill 44-20 may be found here:

https://apps.montgomerycountymd.gov/ccllims/DownloadFilePage?FileName=2682_1_1_2149_Bill_44-20_Signed_20201211.pdf.

1. Training and Performance Evaluation

- ORESJ continues to train and partner with employees on implementing racial equity initiatives and offers a class, "*Advancing Racial Equity in Government*", twice a month.
- ORESJ is currently working in conjunction with the Office of Human Resources to imbed racial equity and social justice principles into the evaluation and performance management process.
- Starting in FY23, the department is creating self-guided trainings that will allow employees to access trainings at their convenience.

2. Racial Equity and Social Justice Lens for FY24 Budget

- ORESJ continues to improve its evaluation of the Capital Improvements Program and Operating Budget analysis process by adding and improving Racial Equity tools every budget cycle. The department is also improving the racial equity tool used to help analyze supplemental appropriations.

3. Racial Equity and Social Justice Advisory Committee

- ORESJ also is providing staff support for the Racial Equity and Social Justice Advisory Committee. The Committee is charged with developing and distributing information and promoting educational activities that increase understanding of racial equity and social justice, as well as developing recommendations to reduce racial and social justice inequities in the County. The 2022 annual report may be found here:

<https://www.montgomerycountymd.gov/boards/Resources/Files/sites/resj/annual-reports/2022-RESJAC-Annual-Report-Final.pdf>

B. Staff Recommendation

Priority

An increase of \$96,069 for an additional 1FTE for a Data Analyst for data management and implementation,

This packet contains:

| | | Circle Page # |
|----------|--|--------------------------|
| 1 | The Executive’s Recommended FY24 Racial Equity and Social Justice Operating Budget | 1-4 |
| 2 | Multi-Agency County Initiatives | 5-7 |



Racial Equity and Social Justice

RECOMMENDED FY24 BUDGET

\$1,398,979

FULL TIME EQUIVALENTS

8.50

 TIFFANY WARD, CHIEF EQUITY OFFICER

MISSION STATEMENT

The mission of the Office of Racial Equity and Social Justice is to establish Racial Equity and Social Justice (RESJ) as a core principle in all County decision making. The Office of Racial Equity and Social Justice will work with all County departments to ensure race is not a predictor of outcomes for Montgomery County residents. The office will assist departments to examine their own policies, procedures, and practices as well as to develop their community engagement plans to determine if they are creating or exacerbating current racial disparities in the County. The office will also assist departments in developing more equitable practices and policies by examining and developing data and creating racial equity assessments and racial equity action plans.

BUDGET OVERVIEW


The total recommended FY24 Operating Budget for the Office of Racial Equity and Social Justice is \$1,398,979, an increase of \$122,539 or 9.60 percent from the FY23 Approved Budget of \$1,276,440. Personnel Costs comprise 82.82 percent of the budget for eight full-time position(s) and one part-time position(s), and a total of 8.50 FTEs. Total FTEs may include seasonal or temporary positions and may also reflect workforce charged to or from other departments or funds. Operating Expenses account for the remaining 17.18 percent of the FY24 budget.

COUNTY PRIORITY OUTCOMES

While this program area supports all seven of the County Executive's Priority Outcomes, the following is emphasized:

 **Effective, Sustainable Government**

INITIATIVES

-  Create a data analyst position to help implement the Racial Equity and Social Justice (RESJ) Act requirement to produce a Racial Equity dashboard, establish metrics, and work with departments and the community to determine which metrics should be measured. The data analyst will work with the director as well as internal departments, to determine what data should be disaggregated and reported to the County and the Office of Racial Equity and Social Justice (ORESJ).

INNOVATIONS AND PRODUCTIVITY IMPROVEMENTS

- ★ ORESJ continues to train and partner with employees on implementing racial equity initiatives and offers a class, "Advancing Racial Equity in Government", twice a month, using employee facilitators who participated in the "train the trainer" cohort delivered by the Government Alliance on Race and Equity (GARE) and ORESJ.
- ★ The department continues to improve its evaluation of the Capital Improvements Program (CIP) and Operating budget analysis process by adding and improving Racial Equity tools every budget cycle. The department is also improving the racial equity tool used to help analyze supplemental appropriations.
- ★ The ORESJ is currently working in conjunction with the Office of Human Resources (OHR) to imbed racial equity and social justice principles into the evaluation and performance management process.
- ★ Starting in FY23, the department is creating self-guided trainings that will allow employees to access trainings at their convenience.

PROGRAM CONTACTS

Contact Tiffany Ward of the Office of Racial Equity and Social Justice at 240.777.5334 or Anita Aryeetey of the Office of Management and Budget at 240.777.2784 for more information regarding this department's operating budget.

PROGRAM PERFORMANCE MEASURES

Performance measures for this department are included below (where applicable). The FY23 estimates reflect funding based on the FY23 Approved Budget. The FY24 and FY25 figures are performance targets based on the FY24 Recommended Budget and funding for comparable service levels in FY25.

| Measure | Actual FY21 | Actual FY22 | Estimated FY23 | Target FY24 | Target FY25 |
|--|----------------|----------------|-------------------|----------------|----------------|
| Program Measures | | | | | |
| Number of County employees who have completed Racial Equity Training (not cumulative) | 430 | 754 | 1,100 | 1,600 | 2,100 |
| Percent of County departments with a Racial Equity and Social Justice Lead established | 85% | 85% | 90% | 90% | 90% |
| Number of Racial Equity Impact Assessments completed | 20 | 73 | 50 | 50 | 50 |
| Percent of County departments with a Racial Equity Action Plan completed | 0% | 0% | 5% | 10% | 15% |

PROGRAM DESCRIPTIONS

★ Office of Racial Equity and Social Justice

After many years of spending on programs and initiatives to close racial disparities in Montgomery County, the Montgomery County Council decided it was time to take an approach that looked at race as the primary determinant of disparities. In April 2018, the County Council passed Resolution # 18-1095 to establish an equity framework for policy and decision making. The resolution required the County to perform a baseline study by the Montgomery County Office of Legislative Oversight (OLO) to describe current racial disparities in education, employment, housing, health, land use, and others. Following the completion of the study, the County Council passed Bill 27-19 to adopt a Racial Equity and Social Justice law. The law mandates 1) the creation of an Office of Racial Equity and Social Justice, 2) that all County employees receive racial equity training, and 3) that all departments examine their policies, procedures, and protocols for racial inequities. In December 2020, the County Council passed Bill 44-20 that requires the Office of RESJ to provide racial equity impact assessments (REIA) on supplemental appropriations. The Office of RESJ will also provide a racial equity analysis of the Montgomery County Public Schools operating and capital

budgets.

The Office of Racial Equity and Social Justice will partner with Montgomery County departments and regional and national non-profit organizations to accomplish the following actions mandated by law:

- perform an equity assessment to identify the County policies and practices that do not advance racial equity and that must be modified to address racial disparities;
- develop metrics to measure the progress in redressing disparate outcomes based on race and social justice;
- work diligently with each Montgomery County department to develop racial equity and social justice action plans to remedy issues adversely impacting County residents that include community engagement;
- provide training to County employees on racial equity and social justice; and develop long- and short-term goals for success in redressing disparate outcomes based on race and social justice as well as their own metrics to measure their success and progress.

BUDGET SUMMARY

| | Actual FY22 | Budget FY23 | Estimate FY23 | Recommended FY24 | %Chg Bud/Rec |
|--|----------------|------------------|------------------|---------------------|-----------------|
| COUNTY GENERAL FUND | | | | | |
| EXPENDITURES | | | | | |
| Salaries and Wages | 418,169 | 825,461 | 671,721 | 912,812 | 10.6 % |
| Employee Benefits | 103,176 | 203,583 | 161,769 | 245,871 | 20.8 % |
| County General Fund Personnel Costs | 521,345 | 1,029,044 | 833,490 | 1,158,683 | 12.6 % |
| Operating Expenses | 114,830 | 247,396 | 247,396 | 240,296 | -2.9 % |
| County General Fund Expenditures | 636,175 | 1,276,440 | 1,080,886 | 1,398,979 | 9.6 % |
| PERSONNEL | | | | | |
| Full-Time | 6 | 7 | 7 | 8 | 14.3 % |
| Part-Time | 0 | 1 | 1 | 1 | — |
| FTEs | 6.00 | 7.50 | 7.50 | 8.50 | 13.3 % |

FY24 RECOMMENDED CHANGES

| | Expenditures | FTEs |
|--|------------------------------------|-----------------------|
| COUNTY GENERAL FUND | | |
| | FY23 ORIGINAL APPROPRIATION | 1,276,440 7.50 |
| <u>Changes (with service impacts)</u> | | |
| Add: Data Analyst position (Grade 25) for data management and implementation of a Racial Equity dashboard as required by the Racial Equity and Social Justice (RESJ) Act. [Office of Racial Equity and Social Justice] | 96,069 | 1.00 |
| <u>Other Adjustments (with no service impacts)</u> | | |
| Increase Cost: Annualization of FY23 Lapsed Positions | 47,965 | 0.00 |
| Increase Cost: Annualization of FY23 Compensation Increases | 35,967 | 0.00 |
| Increase Cost: FY24 Compensation Adjustment | 26,274 | 0.00 |

FY24 RECOMMENDED CHANGES

| | Expenditures | FTEs |
|---|------------------|-------------|
| Increase Cost: Printing and Mail | 796 | 0.00 |
| Decrease Cost: Retirement Adjustment | (1,471) | 0.00 |
| Decrease Cost: Elimination of One-Time Items Approved in FY23 | (12,396) | 0.00 |
| Decrease Cost: Annualization of FY23 Personnel Costs | (70,665) | 0.00 |
| FY24 RECOMMENDED | 1,398,979 | 8.50 |

FUNDING PARAMETER ITEMS

CE RECOMMENDED (\$000S)

| Title | FY24 | FY25 | FY26 | FY27 | FY28 | FY29 |
|--|--------------|--------------|--------------|--------------|--------------|--------------|
| COUNTY GENERAL FUND | | | | | | |
| EXPENDITURES | | | | | | |
| FY24 Recommended | 1,399 | 1,399 | 1,399 | 1,399 | 1,399 | 1,399 |
| No inflation or compensation change is included in outyear projections. | | | | | | |
| Annualization of Positions Recommended in FY24 | 0 | 24 | 24 | 24 | 24 | 24 |
| New positions in the FY24 budget are generally assumed to be filled at least two months after the fiscal year begins. Therefore, the above amounts reflect annualization of these positions in the outyears. | | | | | | |
| Elimination of One-Time Items Recommended in FY24 | 0 | (5) | (5) | (5) | (5) | (5) |
| Items recommended for one-time funding in FY24, including office equipment, will be eliminated from the base in the outyears. | | | | | | |
| Labor Contracts | 0 | 35 | 35 | 35 | 35 | 35 |
| These figures represent the estimated annualized cost of general wage adjustments, service increments, and other negotiated items. | | | | | | |
| Subtotal Expenditures | 1,399 | 1,453 | 1,453 | 1,453 | 1,453 | 1,453 |

ANNUALIZATION OF FULL PERSONNEL COSTS

| | FY24 Recommended | | FY25 Annualized | |
|--|---------------------|-------------|-----------------|-------------|
| | Expenditures | FTEs | Expenditures | FTEs |
| Data Analyst position (Grade 25) for data management and implementation of a Racial Equity dashboard as required by the Racial Equity and Social Justice (RESJ) Act. | 91,569 | 1.00 | 115,394 | 1.00 |
| Total | 91,569 | 1.00 | 115,394 | 1.00 |



Racial Equity & Social Justice

One aspect of advancing this work involves analyzing resource allocations that form the structures-programs, policies, practices, and procedures-that can either worsen or improve racially disparate outcomes across the County. Our goal is to identify these disparities, reduce them, and ultimately create structures that eliminate their existence and prevent disparities from emerging in the future.

To this end, and in accordance with Bill 27-19, Administration - Human Rights - Office of Racial Equity and Social Justice - Racial Equity and Social Justice Committee Established, the Office of Racial Equity and Social Justice (ORESJ) developed a Budget Equity Tool to support departments and decision makers in applying a racial equity lens to the development of the County Executive's FY24 Recommended Operating Budget. This tool, related trainings, and reports, have helped to assess the strength of the County's commitment to and implementation of its guiding racial equity framework, adapted from the Government Alliance on Race and Equity (GARE), to normalize, organize, and operationalize for racial equity and social justice. This framework guides jurisdictions across the country in navigating the changes required to advance racial equity and social justice.



ORESJ highlighted-with its structured analysis-areas of strength and opportunity related to how the FY24 recommended operating budget enables the County's commitment to advancing racial equity and social justice. FY24 resources continue to help the County build its racial equity and social justice infrastructure, with departments across the County targeting resources towards:

- **Allocating or supporting the use of staff time for capacity building activities**
- **Implementing a policy or plan to complete required racial equity and social justice trainings**
- **Using or creating department-specific racial equity tools or maps**

These targeted investments mean that while the County continues to carry out its core business it will strengthen staff knowledge and capacity to apply a racial equity lens to program design, collecting and analyzing data, utilizing best practices and research, and involving the community in program development. With this growing capacity, County Government will also be able to reflect on areas of opportunity, where changes to policy or process can help remove barriers, enable greater transparency and accountability, and drive more equitable outcomes for communities most burdened by structural racism and

other inequities.

While many programs in the County help to fill gaps created by structural inequities, a few programs stand out for taking concrete steps to reduce racial disparities:

- The **Office of Grants Management** - *Grants Management* which strengthens the office's operations, capacity, and capabilities to develop and implement ORESJ policies, practices, and procedures within and across the Office's major functions.
- The **Office of Consumer Protection** - *Consumer Protection* which enables targeted outreach and will help implement a minority homebuilder mentorship program primarily aimed at serving Black and Latino high school job seekers.
- The **Department of Recreation** - *Excel Beyond the Bell Sites* would expand to two new elementary schools, providing program participants with comprehensive, high-quality after-school programming providing opportunities for academic and recreational enrichment.
- The **Department of Recreation** - *TeenWorks Programming* will provide continued mentorship and job readiness training to Montgomery County teens as they navigate through their first job while earning a minimum wage.
- The **Department of Recreation** - *IT Enhancements for Hardware and Software* will lessen administrative burdens incurred during camp and field trips through the transition of paper to electronic health records management.

Overall, this budget provides resources for the County to expand its commitment to and implementation of the RESJ Act. It supports County Government in building the skills and competencies necessary to identify and address racial and ethnic disparities across issue areas, at the same time providing resources for programs that help to fill gaps created by structural inequities.

FY24 Recommended Budget includes:

Departments and Non-Departmental Accounts (NDAs)

Community Engagement Cluster

- Funding to expand translations services with a part-time Spanish Translation Specialist position

Office of Food System Resilience

- In FY23, established the Office of Food System Resilience to coordinate food resilience efforts with community partners, government agencies, and regional partners to develop and implement interagency budgetary, regulatory, and operational strategies to build a more equitable, efficient, resilient, and sustainable food system in Montgomery County.
- Funds are added to support the farm to food bank program, the Montgomery County Food Council, market money grants that allow farmers markets to match Federal Supplemental Nutrition Assistance Program funding for individuals, and community gardening and local resilience grants.

Department of Health and Human Services

- Expand funding for the Asian American Health Initiative, Latino Health Initiative, African American Health Programs
- Fund \$3.0 million to continue services that was previously funded by ARPA (American Rescue Plan Act) for Service Consolidation Hubs
- Include \$3.0 million in funding to address overflow sheltering in hotels
- Subsidize rent funding to keep pace with rent increases for Housing Initiative Program
- Funding \$6 million to expand Children Youth and Families - Newcomers' Program
- Continue eviction prevention services that was previously funded by ARPA

-
- Allocate \$6.1 million in resources for the Food Staples program

Department of Housing and Community Affairs

- Continue to leverage Federal grants including the Community Development Block Grant, the HOME Investment Partnership Grant, and the Emergency Solutions Grant to provide affordable housing, housing rehabilitation, commercial revitalization, focused neighborhood assistance, public services, and prevent homelessness.
- Continue to actively underwrite affordable housing loans to preserve and produce affordable housing. Three developments for multi-family projects have already been identified for potential funding in FY24. These developments would preserve or produce a total of 590 units, including 412 affordable units.

Fire and Rescue Service

- Funding for a civilian Diversity Equity Inclusion Officer to support efforts to normalize conversations on equity and operationalize new equity centered practices, policies, and procedures in the Fire and Rescue Service.

Office of Grants Management

- Funding for Outgoing Grants Compliance Program Manager to allow for a quicker, more intensive integration of RESJ considerations into County grants management practices. Specifically, the additional training and support provided by this position will allow greater flexibility and support to both departments and community partners who utilize grants agreements. This flexibility and support will allow departments to make County awards more accessible to smaller, less establishing organizations, who are often based in underserved communities.
- This Office will develop, manage, advertise, and apply a racial equity lens into the application and awarding processes for grant programs offered by the County. This Office will develop and support best practices for grants management throughout Montgomery County Government that are consistent with racial equity and social justice goals. In addition, the Office serves as a central point of contact regarding grants that the County receives or awards; provides technical assistance regarding grants management to Executive Branch departments and principal offices; and searches out and identifies Federal and State grant opportunities to Executive Branch departments and principal offices.

Legislative Branch Communications Outreach (Non-Departmental Account)

- Funding to enhance translation services and culturally competent advertising and support to the Asian American and Pacific Islander community.

Office of Human Rights

- Include funding for the County's Juneteenth celebration.
- Add funding for the Remembrance and Reconciliation Commission to support the planning and execution of educational programming, training for Commission members, and annual observances in connection with lynching sites in Montgomery County (Lynching Memorial Project).

Office of Racial Equity and Social Justice

- Provide funding for increased staffing to support the mission of the Office of Racial Equity and Social Justice.

Transit Services (Department of Transportation)

- Provide financial support through a co-payment subsidy from the Transportation Services Improvement Fund to provide affordable transportation for the lowest income residents.

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