



Committee: Directly to Council

Committee Review: N/A

Staff: Carolyn Chen, Legislative Analyst 

Purpose: To make preliminary decisions – straw vote expected

Keywords: #CASA #grants #costsharing #capitalgrants

AGENDA ITEM #3

October 11, 2022

Worksession

SUBJECT

Amendment to the FY23-28 Capital Improvements Program and Supplemental Appropriation #23-13 to the FY23 Capital Budget, including an amendment to Section G, FY23 Designation of Entities for Non-Competitive Contract Award to CASA, Inc., Montgomery County Government Department of Recreation, Cost Sharing: MCG (CIP No. 720601), \$5,000,000.

EXPECTED ATTENDEES

- George Escobar, Chief of Programs, CASA
- Yasmin Viera, Senior Director of Development, CASA
- Greg Ossont, Deputy Director, Department of General Services, Montgomery County Government
- Naeem Mia, Legislative Analyst, Montgomery County Council
- Shantee Jackson / Alicia Singh, Fiscal & Policy Analysts, Office of Management and Budget

COUNCIL DECISION POINTS

- [Introduction occurred July 26, 2022](#) as [consent calendar agenda item #8\(Y\)](#).
- [Public Hearing occurred on September 13, 2022](#) with [no submitted testimony](#).
- Worksession scheduled for October 11, 2022 and Action scheduled for October 18, 2022.

DESCRIPTION/ISSUE

- On July 21, 2022, the County Executive transmitted a request for an Amendment to the FY23-28 Capital Improvements Program (CIP) and a Supplemental Appropriation to the FY23 Capital Budget for the Montgomery County Government Cost Sharing CIP project, in the amount of \$5,000,000 (see ©6).
- The Chief Administrative Officer recommends an amendment to Resolution 19-1285, Section G, for a Non-Competitive Award for CASA, Inc. (see ©8).

SUMMARY OF KEY DISCUSSION POINTS

- The Office of Racial Equity and Social Justice (ORESJ) transmitted a [Racial Equity Impact Assessment \(REIA\) for Supplemental Appropriation \(SA\) #23-13 FY23 Capital Budget Cost Sharing MCG CIP No. 720601](#) on September 8, 2022 (see ©2)
- Department of General Services (DGS) will enter into a new contract with CASA, Inc. in the amount of \$5,000,000 for the purpose: "Provide capital support for the renovation of 14645 Rothgeb Drive, Rockville, MD for use as a workforce development and training center."

- On [December 14, 2021](#) ([introduction on December 7, 2021](#) via consent calendar), the Council approved [\\$150,000 for a project design](#) phase to begin the capital project for a CASA Workforce Development and Citizenship Center. (see ©1 for Council President’s memo to the Council on November 30, 2021)

This report contains:

Council President November 30, 2021 Memorandum.....	©1
Racial Equity Impact Assessment (REIA) for Supplemental Appropriation (SA) #23-13 FY23 Capital Budget Cost Sharing MCG CIP No. 720601 - September 8, 2022.....	©2
County Executive July 21, 2022 Transmittal Memorandum.....	©6
Chief Administrative Officer July 21, 2022 Transmittal Memorandum.....	©8
Draft Supplemental Appropriation Resolution.....	©10

Alternative format requests for people with disabilities. If you need assistance accessing this report you may [submit alternative format requests](#) to the ADA Compliance Manager. The ADA Compliance Manager can also be reached at 240-777-6197 (TTY 240-777-6196) or at adacompliance@montgomerycountymd.gov

DATE: November 30, 2021

TO: Council Colleagues

FROM: Gabe Albornoz, Council Vice President

SUBJECT: CASA Workforce Development and Citizenship Center – \$150,000 Special Appropriation for project design

CASA is one of the County's most important partners supporting our immigrant residents in so many ways. One of these is the operation of the Welcome Centers in Silver Spring, Wheaton, and Rockville. CASA has shared that through these centers and the ones in Langley Park and Baltimore, they place workers in about 11,000 jobs annually, generating more than \$3.3 million in annual earnings for workers and families.

The Rockville Welcome Center is in a County-owned building. CASA has put together an exciting proposal to create a Workforce Development and Citizenship Center at this location. CASA has undertaken preliminary design work to estimate costs to renovate the full building (currently only part is used). Their proposal is to is expected to increase resident's self-sufficiency and longer-term employment by having space to train people in Building Maintenance Engineering, solar panel installation, expand training in healthcare industries, and expand ESOL instruction. As this is a County-owned building, I have consulted with the Department of General Services, which has been discussing the project with CASA, and the next step is to go from the initial cost estimate to a more detailed design for things such as the HVAC system, flooring systems in the lower level, etc. DGS estimates that \$150,000 would be adequate for this next step in the design. I am asking for your support for a special appropriation so that this work can be completed. DGS will contract with CASA to perform the work. DGS has shared that the architect/design firm is one the County has worked with and will provide the County and CASA with a detailed cost estimate that can then be used to evaluate what it needed for the renovation.

In order to be good stewards of our facility we need to do this work, so it is clear what is required for construction and renovations. Once it is complete, we will then need to consider funding for both the capital costs (which is preliminarily estimated at \$2.8 million) and the cost of the proposed program expansion (about \$570,000). I believe that CASA's place as a trusted partner will mean that residents who may not access other workforce programs will participate at the CASA Center. The Center will also be a place where CASA can connect residents to legal education and service, information on citizenship, and other county supports.

The County Executive supports this proposal, and I am sure that we can collaborate to find the funds to make this proposal a reality. In order to keep this project moving forward, I would like to schedule introduction on December 7 and public hearing and action on December 14. The HHS Committee will then have a session after the new year to review the information from this cost estimate and the scope for the proposed program.

I hope you will join me in supporting this special appropriation.



OFFICE OF RACIAL EQUITY AND SOCIAL JUSTICE

Marc Elrich
County Executive


Tiffany Ward
Director and Chief Equity Officer

MEMORANDUM

September 8, 2022

To: Jennifer Bryant, Director
Office of Management and Budget

cc: Gabe Albornoz, President
County Council

From: Tiffany Ward, Director
Office of Racial Equity and Social Justice 

Re: Racial Equity Impact Assessment (REIA) for Supplemental Appropriation (SA) #23-13
FY23 Capital Budget Cost Sharing MCG CIP No. 720601

- I. **FINDING:** The Office of Racial Equity and Social Justice (ORESJ)'s finding about Supplemental Appropriation #23-13 is inconclusive. Given that the primary beneficiaries of the capital investment are likely to be residents of color, Latino residents, large percentages of whom are undocumented, many of whom face barriers to employment, this capital investment could help reduce racial disparities in employment and income. However, since reductions in these disparities will depend on the design and implementation of CASA's service offerings—which are not funded under this Supplemental Appropriation—ORESJ cannot determine overall racial equity impacts. At the end of this racial equity impact assessment (REIA) ORESJ provides resources for the County to consider in its future funding of and partnerships with local non-profits.
- II. **BACKGROUND:** The purpose of Supplemental Appropriation #23-13 is to fund the renovation of the former Montgomery County Animal Shelter (at 14645 Rothgeb Drive, Rockville, MD) for use as a workforce development training center leased and operated by CASA, Inc. (CASA). CASA is an immigrant advocacy member organization and provides a range of programs and “supports necessary for full participation in society”¹. Related to

¹ CASA. Programs in Maryland. Available at: <https://wearecasa.org/programs-in-maryland/>

workforce development it offers vocational training for a range of occupations and industries². Because this Supplemental Appropriation is focused on funding the redevelopment of a County property and not on the operation of the CASA workforce development training center, this REIA will focus on the kinds of support local governments can offer as non-profit funders and how that support relates to inequities in non-profit finance that tend to limit the growth of smaller non-profits led by or serving people of color. This REIA will not focus on the extent to which the proposed workforce development offerings support a reduction in racial disparities related to employment, wages, and other economic indicators of well-being.

Historical and current policies and practices have resulted in deep economic inequality and racially inequitable distribution of wealth in the US, culminating in the racial wealth gap³. The consequences of the racial wealth gap are evident in racial disparities that characterize many aspects of society—housing cost burden, homeownership rates, student loan debt, entrepreneurship, etc. These disparities—given their structural nature—also characterize the field of philanthropy and its funding practices. Even before the Covid-19 pandemic, analysts, advocates, and researchers were sounding alarm bells about a phenomenon called “Philanthropic Redlining”⁴ and the documented biases that make charitable giving an “inherently insufficient means of seeking racially equitable outcomes”⁵. The following data points are evidence of philanthropic redlining:

- Black Americans make up approximately 13% of the population; however, only around one percent of funding from philanthropic foundations goes Black communities⁶.
- The Latino population is approximately 18.7 % of the US population⁷, but less than 1.3% of philanthropic dollars are directly invested in Latino-based organizations⁸.

² CASA. Vocational Training in Maryland. Available at: <https://wearecasa.org/vocational-training-maryland/>

³ William Darity Jr., Darrick Hamilton, Mark Paul, Alan Aja, Anne Price, Antonio Moore, and Caterina Chiopris. Samuel DuBois Cook Center on Social Equity Insight Center for Community Economic Development. “What we get wrong about closing the racial wealth gap”. April 2018. Available at: <https://socialequity.duke.edu/wp-content/uploads/2019/10/what-we-get-wrong.pdf>

⁴ HENRY KOENIG STONE. “A HARD LOOK AT PHILANTHROPIC REDLINING”. Unbound: The Intersections of Faith and Justice. February 23, 2019. Available at: <https://justiceunbound.org/philanthropic-redlining/> and Maya Crowden. “Redlining Reimagined: Inequities In America’s Nonprofit Sector”. The Marcus Harris Foundation. March 16, 2021. Available at: <https://marcusharrisfoundation.org/blog/f/redlining-reimagined-inequities-in-america%E2%80%99s-nonprofit-sector>

⁵ HENRY KOENIG STONE. <https://justiceunbound.org/philanthropic-redlining/>

⁶ Maya Crowden.

⁷ NICHOLAS JONES, RACHEL MARKS, ROBERTO RAMIREZ, MERARYS RÍOS-VARGAS. 2020 Census Illuminates Racial and Ethnic Composition of the Country. August 12, 2021. Available at: <https://www.census.gov/library/stories/2021/08/improved-race-ethnicity-measures-reveal-united-states-population-much-more-multiracial.html#:~:text=The%20Hispanic%20or%20Latino%20population,origin%20grew%204.3%25%20since%202010.2/#:~:text=According%20to%20the%20latest%20report,explicitly%20designated%20for%20Latino%20programs.>

⁸ Latino Community Foundation. 2015. Available at: <https://latinocf.org/289-2/#:~:text=According%20to%20the%20latest%20report,explicitly%20designated%20for%20Latino%20programs.>

- 76 percent of white-led organizations received Paycheck Protection Program loans, compared with 58 percent of Black-led nonprofits. Among those that applied for loans, 99 percent of White-led organizations were approved, compared with 90 percent of Black-led organizations⁹.
- Unrestricted assets, which often can signal donors' trust in an organization, are around 76 percent smaller for black-led organizations than their white-led counterparts
- According to the Nonprofit Finance Fund 2022 Survey, achieving long-term financial sustainability is the most cited financial challenge across respondents. 82% of BIPOC-led organizations reported this as a top need, as did 69% of white-led organizations¹⁰.

Taken together, these data points highlight the need for an explicit racial equity strategy within philanthropic giving and local non-profit financial support (including grants and contracts provided by local government).

With available information, ORESJ is unable to analyze the extent to which these instances of philanthropic redlining characterize CASA's experience in the County, particularly within the larger context of the county's overall financial support to local non-profits. In addition, given that the primary beneficiaries of this capital investment are likely to be residents of color, Latino residents, large percentages of whom are undocumented, many of whom face barriers to employment, it's possible that this supplemental appropriation could help to reduce disparities in employment and income. However, since reducing these disparities will depend on the design and implementation of CASA's workforce development offerings—which is not funded under this Supplemental Appropriation—ORESJ is unable to determine overall racial equity impacts.

ORESJ suggests that future funding of non-profit entities in the County (whether for capital or operating expenses) take into consideration practices highlighted in the Nonprofit Finance Fund 2022 Survey¹¹ and a report by Echoing Green and The Bridgespan Group called *Racial Equity in Philanthropy: Disparities in Funding for Leaders of Color Leave Impact on the Table*¹². Consulting such resources will help the County's funding decisions intentionally

⁹ The Chronicle of Philanthropy. "Deep Disparities Persist in Finances of Nonprofits Led by White People and People of Color". June 9, 2022. Available at:

<https://givingcompass.org/article/deep-disparities-persist-in-finances-of-nonprofits-led-by-white-people-and-people-of-color>

¹⁰ The Nonprofit Finance Fund. "2022 Survey: A Focus on Racial Equity". Available at: <https://nff.org/2022-survey-focus-racial-equity>

¹¹ The Nonprofit Finance Fund.

¹² Cheryl Dorsey, Jeff Bradach, and Peter Kim. Echoing Green and The Bridgespan Group. *Racial Equity and Philanthropy: Disparities in Funding for Leaders of Color Leave Impact on the Table*. May 2020. Available at:

<https://www.bridgespan.org/bridgespan/Images/articles/racial-equity-and-philanthropy/racial-equity-and-philanthropy.pdf> and Echoing Green. *BARRIERS TO CAPITAL AND RACIAL EQUITY IN PHILANTHROPY*. May 19, 2020. Available at: <https://echoinggreen.org/news/barriers-to-capital-and-racial-equity-in-philanthropy/>

focus on reducing racial disparities and inequities in non-profit financing and across population-level indicators of well-being.

cc: Ken Hartman, Director, Office of Strategic Partnership, Office of the County Executive




OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

July 21, 2022

TO: Gabe Albornoz, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Amendment to the FY23-28 Capital Improvements Program and
Supplemental Appropriation #23-13 to the FY23 Capital Budget, including an amendment
to Section G, FY23 Designation of Entities for Non-Competitive Contract Award
Montgomery County Government
Department of Recreation
Cost Sharing: MCG (CIP No. 720601), \$5,000,000

I am recommending a supplemental appropriation to the FY23 Capital Budget and amendment to the FY23-28 Capital Improvement Program in the amount of \$5,000,000 for Cost Sharing: MCG (CIP No. 720601), including a request to amend the Fiscal Year (FY) 2023 Operating Budget Resolution 19-1285, Section G, and the FY23 Designation of Entities for Non-Competitive Contract Award Status, for the Department of General Services (DGS). Appropriation for this project will fund the renovation of the former Montgomery County Animal Shelter and CASA, Inc. offices at 14645 Rothgeb Drive, Rockville, MD.

The County will lease the premises at 14645 Rothgeb Drive, Rockville, MD to CASA, Inc. for the purpose of developing a workforce development and training center. This increase is needed to allow CASA, Inc. to renovate this location as a workforce development and training center to provide employment and training services to low-income residents so they can access meaningful long-term employment. The recommended amendment is consistent with the criteria for amendment to the CIP because it presents a significant opportunity for enhancing workforce development, training, and small business support and leverages private funds.

DGS will enter into a new contract with CASA, Inc. in the amount of \$5,000,000 for the purpose “Provide capital support for the renovation of 14645 Rothgeb Drive, Rockville, MD for use as a workforce development and training center.”

I recommend that the County Council approve this supplemental appropriation and amendment to the FY23-28 Capital Improvements Program in the amount of \$5,000,000 and specify the source of funds as

Amendment to the FY23-28 Capital Improvement Program and Supplemental Appropriation #23-13
July 21, 2022
Page 2 of 2

Current Revenue: General. Included with this transmittal packet is a written determination from the Chief Administrative Officer that a non-competitive contract award with CASA, Inc. for the purposes and the amount stated above serves a public purpose and is in the public interest, in accordance with Section 11B-14(a)(4) of the Montgomery County Code.

I appreciate your prompt consideration of this action.

ME:khe

Enclosure: Amendment to the FY23-28 Capital Improvements Program and Supplemental Appropriation
#23-13 to the FY23 Capital Budget

cc: Jennifer R. Bryant, Director, Office of Management and Budget
David Dise, Director, Department of General Services



OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

Richard S. Madaleno
Chief Administrative Officer

MEMORANDUM

July 21, 2022

TO: Gabe Albornoz, President
Montgomery County Council

FROM: Richard S. Madaleno, Chief Administrative Officer *Richard Madaleno*

SUBJECT: Amendment to the Fiscal Year 2023 Operating Budget Resolution 19-1285, Section G,
Fiscal Year 2023 Designation of Entities for Non-Competitive Contract Award Status:
CASA, Inc.

The Department of General Services (DGS) is requesting to amend the Fiscal Year (FY) 2023 Operating Budget Resolution 19-1285, Section G, and the FY23 Designation of Entities for Non-Competitive Contract Award Status as described below.

DGS will add the following award:

Named Entity	Purpose	Award
CASA, Inc.	Provide capital support for the renovation of 14645 Rothgeb Drive, Rockville, MD for use as a workforce development and training center.	\$5,000,000

Supplemental Appropriation #23-13, as proposed by the County Executive, provides \$5,000,000 in County funds and an amendment for the Cost Sharing: MCG (CIP No. 720601) project, and includes an amendment to Section G of Resolution 19-1285 to allow for the County to enter into a non-competitive contract award with CASA, Inc. to carry out this project. The purpose of this funding provides for the renovation and redevelopment of 14645 Rothgeb Drive, Rockville, MD as a workforce development and training center.

I have determined that this action serves a public purpose and is in the public interest. Therefore, I recommend that the Council amend the Miscellaneous Provision in Section G of Resolution 19-1285 for the FY23 Designation of Entities for Non-Competitive Award.

RSM:rs

Enclosure: Amendment to the FY23-28 Capital Improvements Program and Supplemental Appropriation #23-13 to the FY23 Capital Budget

Amendment to FY23 Operating Budget, Section G, Designation of Entities for Non-Competitive
Contract Award
July 21, 2022
Page 2 of 2

cc: Joy Nurmi, Chief of Staff to Council President
Fariba Kassiri, Deputy Chief Administrative Officer
Jennifer R. Bryant, Director, Office of Management and Budget
Avinash G. Shetty, Director, Office of Procurement

Resolution: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Amendment to the FY23-28 Capital Improvements Program and
Supplemental Appropriation #23-13 to the FY23 Capital Budget
Montgomery County Government
Department of Recreation
Cost Sharing: MCG (No. 720601), \$5,000,000

Background

1. Section 307 of the Montgomery County Charter provides that any supplemental appropriation shall be recommended by the County Executive who shall specify the source of funds to finance it. The Council shall hold a public hearing on each proposed supplemental appropriation after at least one week's notice. A supplemental appropriation that would comply with, avail the County of, or put into effect a grant or a Federal, State or County law or regulation, or one that is approved after January 1 of any fiscal year, requires an affirmative vote of five Councilmembers. A supplemental appropriation for any other purpose that is approved before January 1 of any fiscal year requires an affirmative vote of six Councilmembers. The Council may, in a single action, approve more than one supplemental appropriation. The Executive may disapprove or reduce a supplemental appropriation, and the Council may reapprove the appropriation, as if it were an item in the annual budget.
2. Section 302 of the Montgomery County Charter provides that the Council may amend an approved capital improvements program at any time by an affirmative vote of no fewer than six members of the Council.

3. The County Executive recommends the following capital project appropriation increases:

Project Name	Project Number	Cost Element	Amount	Source of Funds
Cost Sharing: MCG	720601	Construction	\$4,850,000	Current Revenue: General
Cost Sharing: MCG	720601	Other	\$150,000	Current Revenue: General
TOTAL			\$5,000,0000	

4. The County will lease the premises at 14645 Rothgeb Drive, Rockville, MD to CASA, Inc. for the purpose of developing a workforce development and training center. This increase is to allow CASA, Inc. to renovate this location as a workforce development and training center to provide employment and training services to low-income residents so they can access long-term meaningful employment. The recommended amendment is consistent with the criteria for amendment to the CIP because it presents a significant opportunity for enhancing workforce development, training, and small business support and leverages private funds.
5. The County Executive recommends an amendment to the FY23-28 Capital Improvements Program and a supplemental appropriation in the amount of \$5,000,000 for Cost Sharing: MCG (No. 720601), and specifies that the source of funds will be Current Revenue: General.
6. Section 11B-14 (a) (4) of the Montgomery County Code states that a contract may be awarded without competition if the Chief Administrative Officer makes a written determination that the contract award serves a public purpose and the proposed contractor has been identified in a grant or appropriation resolution approved by the Council.
7. Notice of public hearing was given and a public hearing was held.

Action

The County Council for Montgomery County, Maryland, approves the following action:

The FY23-28 Capital Improvements Program of the Montgomery County Government is amended as reflected on the attached project description form and a supplemental appropriation is approved as follows:

<u>Project Name</u>	<u>Project Number</u>	<u>Cost Element</u>	<u>Amount</u>	<u>Source of Funds</u>
Cost Sharing: MCG	720601	Construction	\$4,850,000	Current Revenue: General
Cost Sharing: MCG	720601	Other	\$150,000	Current Revenue: General
TOTAL			\$5,000,0000	

The Council approves an amendment to Council Resolution No. 19-1285, Section G, FY23 Designation of Entities for Non-Competitive Award Status. The Chief Administrative Officer has recommended this action and stated that this action serves a public purpose and is in the public interest.

The FY23 Designation of Entities for Non-Competitive Contract Award Status is amended to reflect:

The Department of General Services will enter into a new contract with CASA, Inc. in the amount of \$5,000,000 for the purpose “Provide capital support for the renovation of 14645 Rothgeb Drive, Rockville, MD for use as a workforce development and training center.”

This is a correct copy of Council action.

Judy Rupp
Clerk of the Council