



OFFICE OF RACIAL EQUITY AND SOCIAL JUSTICE

Marc Elrich
County Executive


Tiffany Ward
Director and Chief Equity Officer

MEMORANDUM

March 2, 2022

To: Jennifer Bryant, Director
Office of Management and Budget

cc: Gabe Albornoz, President
Montgomery County Council

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

Re: Racial Equity Impact Assessment (REIA) for Supplemental Appropriation: #22-44
Office of Grants Management

- I. **FINDING:** The Office of Racial Equity and Social Justice (ORESJ) assessment findings regarding Supplemental Appropriation #22-44 Office of Grants Management are inconclusive. Available information does not indicate to what extent a racial equity lens has been applied to the development of the Director position or how the organizational change required to optimize this office's efforts will be realized to advance racial equity and social justice in the county. While ORESJ recognizes the frontend effort to include racial equity and social justice in the establishment of the Office of Grants Management (OGM) as a strength, there are simply too many unknowns (at this point) regarding implementation that impede our ability to definitively determine whether the Director position and the Office more generally are likely to advance racial equity and social justice in the County.
- II. **BACKGROUND:** The purpose of Supplemental Appropriation #22-44 is providing funding to hire the Director of the Office of Grants Management to prepare for the Office's creation at the start of FY23. ORESJ's assessment therefore focuses on the extent to which the recruitment, hiring, and success of the Office of Grants Management (OGM) Director advances the County's commitment to racial equity and social justice. Available information does not explicitly address the specific details around the recruitment or hiring of this position. In the absence of more specific information, ORESJ offers guidance on

what applying a racial equity lens to the director position and recruitment process could look like. At a minimum, to advance racial equity and social justice the incumbent must recognize and attend to:

- The systemic nature of racial inequities in non-profit leadership and the connection to non-profit financing, see “Money Matters” in *Race to Lead Revisited: Obstacles and Opportunities in Addressing the Nonprofit Racial Leadership Gap*¹.
- Racial and ethnic disparities in the County, including but not limited to employment, housing, transportation, education, and healthcare. See Montgomery County Racial Equity Profile² and National Equity Atlas³.
- Historical housing and development patterns across the County and how these patterns have exacerbated the racial wealth gap, disproportionately harmed communities of color, spurring residential displacement and inequitable distribution of resources and opportunities.
- Complex relationships with communities and non-profit and their experiences engaging with County.

In terms of process, recruitment for this position must be expansive and reflect the range of competencies and experiences both technical and social that would allow the Director to leverage the opportunity this office creates to deepen relationships with communities most impacted by racial and ethnic disparities. In addition, the recruitment process should lead to a pool of candidates capable of building the legal and policy infrastructure necessary to equitably and transparently distribute, monitor, and evaluate the effectiveness of grant funding.

Given that the hiring of the director position is the first step in the implementation of Bill 36-19, ORESJ also offers reflections on the extent to which OGM is positioned to advance racial equity and social justice in the County based on practices related to the establishment of similar offices and racial equity and social justice initiatives in other jurisdictions:

Strengths

- **The establishment of a grant mechanism:** The County currently does not have an established grant mechanism for distributing funds to nonprofit organizations and instead largely utilizes reimbursable non-competitive contracts. Reimbursable non-competitive contracts are first and foremost non-competitive, reducing the fairness of availing the opportunity to other qualified entities. These types of contracts also require a nonprofit to have significant cash reserves to implement a program and then be

¹ https://buildingmovement.org/wp-content/uploads/2020/07/RTL_Revisited_National-Report_Final.pdf

² Users can search community-level indicators and racial and ethnic disparities at the County level. Jupiter Independent Research Group. Montgomery County Office of Legislative Oversight. Report Number 2019-7. Racial Equity Profile Montgomery County. July 15, 2019. Available at: <https://www.montgomerycountymd.gov/OLO/Resources/Files/2019%20Reports/RevisedOLO2019-7.pdf>

³ Users can search a number of indicators at the County-level. National Equity Atlas. Policy Link. Available at: <https://nationalequityatlas.org/indicators>

reimbursed receipt by receipt. Reliance on this mechanism essentially “prices out” from County support small, start-up nonprofits that represent diverse immigrant, communities of color, or low-income communities and organizations that can often provide more effective community level solutions, but do not have the financial position to do so. More generally, the lack of a grant mechanism stunts the growth of smaller nonprofits as they are unable to receive the base funding and experience needed to implement successful programs at a larger scale and compete for larger resources from within and beyond the county. This inevitably leads to resources continuing to be concentrated in financially established nonprofits outside of the communities most impacted by the very challenges nonprofits are intended to address. The result is a diminished number and quality of opportunities for the best-positioned organizations to develop effective solutions with and from within communities.

Unknowns

- **Efficacy of reporting requirements:** Bill 36-19 requires quarterly reporting on a number of metrics including progress towards RESJ goals. While this requirement boosts transparency and accountability—racial equity enablers—the result of reporting can only be as strong as the goals, metrics created, data collection, and analysis performed. At this stage, it is premature for ORESJ to determine the extent to which this reporting requirement will in fact support the reduction of racial and ethnic disparities in the County while improving outcomes for all residents.
- **Readiness for change:** The success of any new organizational initiative, particularly those involving the application of a racial equity lens, hinges upon a number of factors, ranging from how the change was initiated, the organization’s readiness for change, the rigidity or flexibility of existing infrastructure, and the capacity and partnerships to sustain change⁴. In the case of the OGM, the director’s strategic vision and theory of change, institutional support for OGM’s independence, the centrality of a racial equity and social justice lens, and the extent to which OGM’s work complements existing and planned grant-making across the County will shape OGM’s overall impact and its ability to advance racial equity and social justice in the process.

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

⁴ Benoy Jacob, Ph.D. International City/County Management Association (ICMA). *Governing for Equity: Implementing an Equity Lens in Local Government*. December 2020. Available at: <https://icma.org/governing-equity-implementing-equity-lens-local-government>