



## OFFICE OF RACIAL EQUITY AND SOCIAL JUSTICE


Marc Elrich  
County Executive

Tiffany Ward  
Director and Chief Equity Officer

### MEMORANDUM

April 11, 2023

To: Jennifer Bryant, Director  
Office of Management and Budget

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

Re: Racial Equity Impact Assessment (REIA) Supplemental Appropriation (SA) #23-90  
FY23 Operating Budget -Leases Non-Departmental Account

- I. **FINDING:** The Office of Racial Equity and Social Justice (ORESJ) finds that Supplemental Appropriation #23-90 to add \$2,459,509 to the Leases Non-Departmental Account (NDA) FY23 operating budget neither advances nor impedes racial equity and social justice in the County as the increased funds cover inflationary costs increases for maintenance in County leased space and costs related to County services moving into leased space in Wheaton.
- II. **BACKGROUND:** The Leases NDA provides the funds necessary to lease privately owned real estate to accommodate County programs. Leasing property provides the County with opportunities to locate programs in the communities they serve and provides space for programs to operate when there is no County-owned space available. The purpose of SA #23-90 is to increase the appropriation in the Leases NDA to fund inflationary increases caused by higher than anticipated maintenance costs and to reconcile anticipated lease chargebacks for the Wheaton Headquarters building.

Numerous government offices operate out of space in the Wheaton Headquarters building, including the Montgomery County Planning and Parks Departments. Additionally, the County leases space in the building to house several County departments, including: Montgomery County Department of Permitting Services; Montgomery County Department of Environmental Protection; Mid-County Regional Services Center –

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Wheaton Urban District; Community Use of Public Facilities; Montgomery County Health and Human Services; and the Montgomery County Department of Recreation. Around 900 government employees will operate out of the Wheaton Headquarters building-helping not only with plans for the revitalization of Wheaton but also giving down county residents more convenient access to government services.<sup>1</sup>

The appropriation for Leases has decreased over the years as the County has been consolidating employees out of leased spaces into county-owned facilities. Budgeted funds for the Leases NDA peaked at \$27.1 million in FY22, and were recently budgeted as low as \$15.7 million in FY23, but this SA would add an additional \$2.5 million to the FY23 appropriation. Efforts are currently underway for the Office of Real Estate to “examine square footage requirements in the post-Covid environment on all renewals and new requirements, with the goal of decreasing the leased footprint”<sup>2</sup>. The goal of reducing the County’s leased footprint is both fiscally prudent and beneficial towards freeing resources that could go towards racial equity and social justice programming.

cc: David Dise, Director, Department of General Services  
Ken Hartman, Director, Strategic Partnerships, Office of the County Executive

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<sup>1</sup> <https://montgomeryplanningboard.org/wheatonhg/>

<sup>2</sup> DGS FY21 Annual Report. Available at:

[https://www.montgomerycountymd.gov/DGS/Resources/Files/DGS\\_FY21AnnualReport\\_508.pdf](https://www.montgomerycountymd.gov/DGS/Resources/Files/DGS_FY21AnnualReport_508.pdf)