



## OFFICE OF RACIAL EQUITY AND SOCIAL JUSTICE


Marc Elrich  
County Executive

Tiffany Ward  
Director and Chief Equity Officer

### MEMORANDUM

April 16, 2024

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) #24-77  
FY24 Operating Budget - Utilities Non-Departmental Account (11,348,928)

- I. **FINDING:** The Office of Racial Equity and Social Justice (ORESJ) finds that Supplemental Appropriation #24-77 Utilities Non-Departmental Account (NDA) does not appear to functionally alter programming or uses considered during the review of SA #23-93, FY23 Operating Budget - Utilities Non-Departmental. Therefore, ORESJ's finding remains unchanged; the supplemental appropriation neither advances nor impedes racial equity and social justice in the County. The supplemental funding is intended to cover cost increases in utilities for County facilities.
- II. **BACKGROUND:** The purpose of SA #24-77 is to cover anticipated budget overages in the Utilities NDA due to continued increases in commodity prices. Electricity, natural gas, water and sewer, renewable energy, and other expenses for County facilities are budgeted in the Utilities NDA, which is managed by the Department of General Services (DGS). This includes utilities for over 1,500 separately metered accounts for all County office buildings, including police stations, libraries, health and human services facilities, correctional facilities, maintenance buildings, warehouses, and traffic control signalized intersections and streetlights. Specifically, electricity cost per kilowatt-hour has increased from 11.3 cents in FY21 to 17.3 cents in FY24, resulting in projected expenditures exceeding the approved budget by over \$11 million.

Racial Equity Impact Assessment (REIA) Supplemental Appropriation (SA) #24-77

FY24 Operating Budget – Utilities Non-Departmental Account

April 16, 2024

Page 2 of 2

In FY22 and FY23, operating expenses also exceeded the appropriation in the Utilities NDA due to actual electricity expenditures being greater than the budgeted amount. A supplemental appropriation was approved in FY23 to cover anticipated overages. Again, this was attributed to increases in electricity commodity costs, as well as the reopening of County facilities and natural gas expenditures being higher than budgeted due to supply issues.<sup>1</sup>

- III. **ANALYSIS:** As mentioned earlier, ORESJ has previously reviewed a supplemental appropriation to increase the budget in the Utilities NDA in REIA #23-93, FY23 Operating Budget - Utilities Non-Departmental Account. Our complete analysis is available at: <https://www.montgomerycountymd.gov/ore/Resources/Files/23-93.pdf>.

cc: David Dise, Director, Department of General Services  
Ken Hartman, Assistant Chief Administrative Officer, Office of the County Executive

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<sup>1</sup> End-of-year transfers for the FY22 County Government Operating Budget: Available at: [https://www.montgomerycountymd.gov/council/Resources/Files/agenda/col/2022/20221213/20221213\\_6D.pdf](https://www.montgomerycountymd.gov/council/Resources/Files/agenda/col/2022/20221213/20221213_6D.pdf).