



OFFICE OF RACIAL EQUITY AND SOCIAL JUSTICE


Marc Elrich
County Executive

Tiffany Ward
Director and Chief Equity Officer

MEMORANDUM

March 12, 2025

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) #25-57
FY25 Capital Budget Montgomery Connects (\$4,629,208) and Special Appropriation
#25-59 Digital Equity-Montgomery Connects (\$960,998)

- I. **FINDING:** The Office of Racial Equity and Social Justice (ORESJ) finds that Supplemental Appropriation #25-57 and Special Appropriation #25-59, both funding requests for the Digital Equity-Montgomery Connects capital budget are likely to advance racial equity and social justice in the County. While one supplemental is a technical correction needed to expedite the spending of funds before the spending deadline, the other appropriation shifts the funding schedule forward to extend broadband infrastructure to seven affordable housing developments within the County—which will target resources to disadvantaged households most burdened by the digital divide—increasing connectivity.
- II. **BACKGROUND:** The purpose of Supplemental Appropriation 25-57 is to authorize the remaining \$4,629,208 in expenditures for the Montgomery Connects-Digital Equity project, which has an expenditure deadline of the end of FY26. The project is supported by Federal Aid, which passes through the State MD DHCD Home Stretch-Public Housing Grant. Funding will extend free broadband service to residents living in seven Housing Opportunities Commission affordable housing developments.

Supplemental Appropriation 25-59 corrects the funding source for the MD-GAPS Broadband program from State to Federal Aid and changes the project from the operating to the capital budget since funding will assist in the construction of capital assets. The

County Council previously adopted this item on June 13, 2023,¹ and it was reviewed in REIA 23-105.²

III. **ANALYSIS:** ORESJ has previously reviewed digital equity, including computer access, broadband connectivity, the digital divide, and the homework gap, in its evaluation of supplemental appropriations to the Montgomery Connects program, the County's digital equity and inclusion program.

- REIA #22-94 Montgomery Connects-Computer Grant Funding
<https://www.montgomerycountymd.gov/ore/Resources/Files/22-94.pdf>
- REIA #23-105 Digital Equity Grant Funding
<https://www.montgomerycountymd.gov/ore/Resources/Files/23-105.pdf>

Additionally, TEBS provided the following information on who the Home Stretch-Public Housing Grant program is benefitting as well as the program's ability to reduce disparities and inequities in the County.

Residents living in affordable housing developments owned by the Housing Opportunities Commission (HOC) will benefit from the implementation of the \$7 million State grant to extend free 300/300 Mbps broadband service to these housing developments.

In an analysis of 2019 U.S. Census American Community Survey data, within Montgomery County, among households without home wireline internet, Latino and African American households are twice as likely (25% and 22%) as White and Asian households (13% and 13%) to not have home wireline internet. Almost half (48%) of the households who do not have home wireless internet earn less than \$50,000 per year. Moreover, while 16% of all County households do not have home wireline internet, the likelihood that a household does not have home internet is more than twice as high, 36%, if the household has an income of less than \$50,000 per year. U.S. Census shows that older people lag further behind younger people in internet usage.

According to data provided by HOC and submitted with our grant application, of the residents living in the 1,547 units that will have free broadband service funded by grant funds, 51% of units are reserved for residents earning 60% to 30% of the area median income, 57% of households are below 150% of the federal poverty guidelines, 66% are members of racial or ethnic minorities, and 44% are older people.

56% of units are in Disadvantaged-Highly Disproportionate areas, 18% are directly adjacent (across the street) to a Disadvantaged-Highly Disproportionate area, and 17% are in

¹ Supplemental Appropriation #23-105. TEBS Montgomery Connects Digital Equity Broadband Grants. Available at: https://apps.montgomerycountymd.gov/ccllms/DownloadFilePage?FileName=11890_1_25083_Resolution_20-202_Adopted_20230613.pdf

² REIA 23-105 Digital Equity Grant Funding. Available at: <https://www.montgomerycountymd.gov/ore/Resources/Files/23-105.pdf>.

Disadvantaged-Slightly Disproportionate areas. According to HOC resident data, 66% of people who would receive the free broadband service are members of racial or ethnic minorities.

cc: Gail Roper, Director, Technology & Enterprise Business Solutions
Tricia Swanson, Director, Strategic Partnerships, Office of the County Executive