



Committee: Directly to Council
Committee Review: N/A
Staff: Carolyn Chen, Legislative Analyst *CJC*
Purpose: To receive testimony/final action - vote expected
Keywords: #communitygrants #grants

AGENDA ITEM #9
 March 15, 2022
Public Hearing/Action

SUBJECT

Supplemental Appropriation #22-44 to FY22 Operating Budget, Montgomery County Government, Office of the County Executive - \$45,528 for FY22 Q4 Office of Grants Management Director (Source of Funds: General Fund Undesignated Reserves)

EXPECTED ATTENDEES

None.

COUNCIL DECISION POINTS

Public Hearing and Action only. A motion is required.

DESCRIPTION/ISSUE

The County Executive recommends a supplemental appropriation to the FY22 Operating Budget in the amount of \$45,528 to support the establishment of the Office of Grants Management Director position.

SUMMARY OF KEY DISCUSSION POINTS

- This increase is needed to hire a MII Director position to prepare for implementation of Bill 36-19 that establishes an Office of Grants Management (OGM) in County Government at the start of FY23.
- The position will need to be temporarily located in the Office of the County Executive during FY22 since the OGM will not legally exist until FY23. The position will immediately transfer into the OGM in FY23.
- The Office of Racial Equity and Social Justice (ORESJ) assessment findings 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.

This report contains:

ORESJ Racial Equity Impact Assessment (REIA) for Supplemental Appropriation: #22-44 Office of Grants Management – March 2, 2022	©A-C
Staff Introduction Memo – March 1, 2022	
Memo from Executive – February 1, 2022	©1-2
Supplemental Appropriation Resolution	©3-4
FY22 Calculation for MII Office of Grants Management Director	©5

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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>




OFFICE OF THE COUNTY EXECUTIVE

Marc Elrich
County Executive

MEMORANDUM

February 1, 2022

TO: Gabe Albornoz, President
Montgomery County Council

FROM: Marc Elrich, County Executive 

SUBJECT: Supplemental Appropriation #22-44 to the FY22 Operating Budget
Montgomery County Government
Office of the County Executive
FY22 Q4 Office of Grants Management Director, \$45,528

I am recommending a supplemental appropriation to the FY22 Operating Budget of the Office of the County Executive (CEX) in the amount of \$45,528 for an MII Director position for the final three months of FY22. This appropriation will be used to hire the Director of the forthcoming Office of Grants Management (OGM) to prepare for this Office's creation at the start of FY23.

The County Council passed Bill 36-19 on July 13, 2021 to establish an OGM in County Government with an effective date of July 1, 2022; the start of FY23. The two primary goals of this Office will be to increase the amount of external grant resources awarded to the County and improve the distribution of the County grants to community partners.

I propose hiring the Director of the OGM for the final quarter of FY22 to begin policy and process development for a grant agreement funding mechanism, an improved Community Grants process, and laying the groundwork for other legislated functions so that the Office can immediately take a leadership role in these areas at the beginning of FY23. The position will need to be temporarily located in CEX during FY22 since the OGM will not legally exist until FY23. At that point, the position will immediately transfer from CEX to OGM.

I recommend this supplemental appropriation in the amount of \$45,528 and specify the source as General Fund Undesignated Reserves. This supplemental will reduce General Fund Undesignated Reserves by \$45,528 and is consistent with the fund balance policy for tax supported reserves. This adjustment will be considered ongoing with the ongoing costs for this position included in the FY23 Recommend Budget, that are estimated to be approximately \$149,682. The overall administrative structure for OGM will be presented in the FY23 Recommended Budget.

ME:rpm

Supplemental Appropriation #22-44

February 1, 2022

Page 2 of 2

Attachment: Supplemental Appropriation #22-44

cc: Richard S. Madaleno, Chief Administrative Officer
Jennifer R. Bryant, Director, Office of Management and Budget
Fariba Kassiri, Deputy Chief Administrative Officer

Resolution No: _____
Introduced: _____
Adopted: _____

COUNTY COUNCIL
FOR MONTGOMERY COUNTY, MARYLAND

By: Council President at the Request of the County Executive

SUBJECT: Supplemental Appropriation #22-44 to the FY22 Operating Budget
Montgomery County Government
Office of the County Executive, \$45,528

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. The County Executive has requested the following FY22 Operating Budget appropriation increases for the Office of the County Executive:

	<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
Office of the County Executive	\$37,140	\$8,389	\$45,528	General Fund Undesignated Reserves

3. This increase is needed to hire a MII Director position to prepare for implementation of Bill 36-19 that establishes an Office of Grants Management (OGM) in County Government at the start of FY23. The position will need to be temporarily located in the Office of the County Executive during FY22 since the OGM will not legally exist until FY23. The position will immediately transfer into the OGM in FY23.
4. The County Executive recommends a supplemental appropriation to the FY22 Operating Budget in the amount of \$45,528 to support the establishment of the Office of Grants Management Director position.
5. Notice of public hearing was given, and a public hearing was held.

Action

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

A supplemental appropriation to the FY22 Operating Budget of the Office of the County Executive is approved as follows:

	<u>Personnel Services</u>	<u>Operating Expenses</u>	<u>Total</u>	<u>Source of Funds</u>
Office of the County Executive	\$37,140	\$8,389	\$45,528	General Fund Undesignated Reserves

This is a correct copy of Council action.

Selena Mendy Singleton, Esq., Clerk of the Council

FY22 CALCULATION FOR M2 Office of Grants Management Director		
	FULL YEAR	3 MONTH (FY22 Q4)
USE THE MINIMUM IN THE CURRENT YEAR GENERAL SALARY SCHEDULE	\$93,567	\$23,392
PLUS 25%	\$23,392	\$5,848
TOTAL PROJECTED SALARY	\$116,959	\$29,240
FICA/MEDICARE @ 7.65%	\$8,947	\$2,237
Retirement @ 8%	\$9,357	\$2,339
MEDICAL FLAT RATE (FY22)	\$13,296	\$3,324
TOTAL PERSONNEL COSTS	\$148,559	\$37,140
FY23 ANNUALIZATION OF PERSONNEL COST	\$111,419.08	
		3 Month
	PC	\$37,140
	OE	\$8,389
	Total Supp Req:	\$45,528
		Annual
	PC	\$148,559
	OE	\$1,123
	Total Supp Req:	\$149,682