

# Racial Equity and Social Justice (RESJ) Impact Statement

## Office of Legislative Oversight

### EXPEDITED BILL 29-25: BOND AUTHORIZATION

#### SUMMARY

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The Office of Legislative Oversight (OLO) finds the anticipated RESJ impact of Expedited Bill 29-25 is indeterminate. There are several unknown factors necessary to understand the RESJ impact of this Bill.

#### PURPOSE OF RESJ IMPACT STATEMENTS

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RESJ impact statements (RESJIS) evaluate the anticipated impact of legislation on racial equity and social justice in the County. RESJ is a **process** that focuses on centering the needs, leadership, and power of Black, Indigenous, and other People of Color (BIPOC) and communities with low incomes. RESJ is also a **goal** of eliminating racial and social inequities. Applying a RESJ lens is essential to achieve RESJ.<sup>1</sup> This involves seeing, thinking, and working differently to address the racial and social inequities that cause racial and social disparities.<sup>2</sup>

#### PURPOSE OF EXPEDITED BILL 29-25

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The Capital Improvements Program (CIP) refers to the County's budget for capital improvements. Capital improvements are long-term investments for public infrastructure.<sup>3</sup> According to the Department of Finance, the County "issues General Obligation (G.O.) Bonds once a year to fund major [CIP] projects such as schools, roads, and other government facilities."<sup>4</sup> As described by the U.S. Securities and Exchange Commission, G.O. bonds "are issued by states, cities or counties and not secured by any assets. Instead, [they] are backed by the 'full faith and credit' of the issuer, which has the power to tax residents to pay bondholders."<sup>5</sup>

Expedited Bill 29-25 would authorize the County to issue up to \$652 million in G.O. bonds to help fund appropriations approved in the Amended FY25-30 CIP.<sup>6</sup> Currently, there is insufficient bond authorization in certain CIP expenditure categories to fully cover the increased appropriation level.<sup>7</sup>

The Council introduced Expedited Bill 29-25 at the County Executive's request on September 16, 2025.

This RESJIS builds on the one for Expedited Bill 19-22, which OLO published in June 2022.<sup>8</sup> Please refer to this RESJIS for background on capital improvement planning and racial equity.

#### ANTICIPATED RESJ IMPACTS

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To consider the anticipated impact of Bill 29-25 on RESJ in the County, OLO recommends the consideration of two related questions:

- Who would primarily benefit or be burdened by this bill?
- What racial and social inequities could passage of this bill weaken or strengthen?

As noted in the RESJIS for Expedited Bill 1-24,<sup>9</sup> there are several unknown factors for answering these questions, including:

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- How is current CIP funding allocated per capita by race, ethnicity, income and/or Census tract? How does this compare to prior CIPs?
- How is current CIP funding allocated to vendors by race and ethnicity? How does this compare to prior CIPs?
- What programs and services may need to be cut to offset the increase in debt service in the operating budget? What demographic groups and neighborhoods by race, ethnicity, and income would be most harmed by these cuts?
- How do these impacts compare to demographic groups or neighborhoods that benefit most from CIP investments?

Therefore, OLO finds the anticipated RESJ impact of Expedited Bill 29-25 is indeterminate.

### RECOMMENDED AMENDMENTS

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The Racial Equity and Social Justice Act requires OLO to consider whether recommended amendments to bills aimed at narrowing racial and social inequities are warranted in developing RESJ impact statements.<sup>10</sup> OLO finds the anticipated RESJ impact of Expedited Bill 29-25 is indeterminate. As such, OLO does not offer recommended amendments. However, should the Council seek to improve the RESJ impact of this Bill, OLO offers the following policy options for consideration:

- **Commission equity review of the CIP.** To understand and address potential racial inequities in capital investments, the Council could commission a comprehensive equity review of the CIP. For instance, in 2019, the Baltimore City Department of Planning (DoP) partnered with the Baltimore Neighborhood Indicators Alliance (BNIA) to develop a methodology for conducting an annual equity analysis of the City's CIP.<sup>11</sup> Since the release of the original report, DoP has continued an annual equity review of the CIP through analyzing CIP investments in the City's 55 Community Statistical Areas (CSAs) along with the CSAs' race and income demographics.<sup>12,13</sup> The analysis also accounts for the varying influence of CIP projects by identifying projects as having local, multi-neighborhood, or Citywide impacts.
- **Increase access to CIP construction opportunities to BIPOC-owned businesses and workers.** The County's 2024 Disparity Study found that Black-owned firms accounted for 9 percent of the construction marketplace but only 1 percent of construction contracts with the County.<sup>14</sup> Conversely, White male firms accounted for 62 percent of the construction marketplace and 80 percent of construction contracts, and Latinx-owned firms accounted for 11 percent of the construction marketplace and 16 percent of construction contracts.<sup>15</sup> To advance RESJ by addressing racial disparities in procurement, the Council could support policies and programs that encourage proactive identification and contracting of BIPOC-owned businesses for CIP funded projects and other project needs.

### CAVEATS

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Two caveats to this racial equity and social justice impact statement should be noted. First, predicting the impact of legislation on racial equity and social justice is a challenging analytical endeavor due to data limitations, uncertainty, and other factors. Second, this RESJ impact statement is intended to inform the legislative process rather than determine whether the Council should enact legislation. Thus, any conclusion made in this statement does not represent OLO's endorsement of, or objection to, the bill under consideration.

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<sup>1</sup> Definition of racial equity and social justice adopted from [Marlysa Gamblin et al., "Applying Racial Equity to U.S. Federal Nutrition Programs," Bread for the World](#) and [Racial Equity Tools](#).

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- <sup>2</sup> Ibid.
- <sup>3</sup> [Montgomery County Capital Budget, Office of Management and Budget.](#)
- <sup>4</sup> [Debt Management, Montgomery County Department of Finance.](#)
- <sup>5</sup> ["What Are Municipal Bonds," U.S. Securities and Exchange Commission, last updated June 5, 2024.](#)
- <sup>6</sup> [Introduction Staff Report for Expedited Bill 29-25, Montgomery County Council, Introduced September 16, 2025.](#)
- <sup>7</sup> Fiscal Impact Statement, Introduction Staff Report for Expedited Bill 29-25, pg. (7).
- <sup>8</sup> [RESJIS for Expedited Bill 19-22, Office of Legislative Oversight, June 29, 2022.](#)
- <sup>9</sup> [RESJIS for Expedited Bill 1-24, Office of Legislative Oversight, January 30, 2024, pgs. 1-2.](#)
- <sup>10</sup> [Bill 27-19, Administration – Human Rights – Office of Racial Equity and Social Justice – Racial Equity and Social Justice Advisory Committee – Established, Montgomery County Council.](#)
- <sup>11</sup> [Baltimore Neighborhood Indicators Alliance, "Equity Analysis of Baltimore City's Capital Improvement Plan, FY 2014 – FY 2020", Baltimore City Department of Planning, August 2019.](#)
- <sup>12</sup> [CIP and Equity, Baltimore City Department of Planning.](#)
- <sup>13</sup> Community Statistical Areas, developed by the City's DoP, are clusters of neighborhoods organized around census tract boundaries. For more information, see ["Vital Signs: Community Statistical Areas," Baltimore Neighborhoods Indicators Alliance.](#)
- <sup>14</sup> Griffin & Strong, PC, ["Disparity Study Final Report,"](#) Montgomery County Office of the County Attorney, June 11, 2014.
- <sup>15</sup> [MGT, "Montgomery County, MD: 2024 Disparity Study," Office of Procurement, September 24, 2024.](#) See Table 4-3 on pg. 48 for estimates of available construction firms by race and ethnicity and Table 5-6 on pg. 55 for the County's utilization of construction firms by race and ethnicity.