

Legislative Budget Analysis
Proposed FY 2025 Operating and Capital Budgets
Office of the County Auditor
Baltimore County, Maryland
HEARING DATE: May 2, 2024



**Office of Human Resources,
Division of Diversity, Equity and Inclusion**

Director: Renee Coleman

Budget Office Analyst: Aesha Morgan

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Questions to Department Sent	Tuesday, April 16
Responses Received	Tuesday, April 23
Analysis considers all agency responses.	

BALTIMORE COUNTY
FISCAL YEAR 2025 BUDGET ANALYSIS

OFFICE OF HUMAN RESOURCES (013)
DIVISION OF DIVERSITY, EQUITY AND INCLUSION

BUDGET SUMMARY
\$ in Thousands

PROPOSED CHANGE	GENERAL	% Change Prior Year
FY 2024 - 2025 Change	\$ 41.5	3.5%

BUDGET TRENDS

FY 2023 Actual	\$ 704.2	
FY 2024 Approp.	1,199.8	70.4%
FY 2025 Request	1,241.4	3.5%

PERSONNEL

PROPOSED CHANGE	GENERAL	
	FULL-TIME	PART-TIME
FY 2024 - 2025 Change	0	0

BUDGET TRENDS

FY 2023 Actual	7	3
FY 2024 Approp.	7	5
FY 2025 Request	7	5

VACANCY DATA

Positions Vacant as of March 31, 2024*	2	0
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*Provided by the Office of Budget and Finance.

For further information contact: Office of the County Auditor

Phone: (410) 887-3193

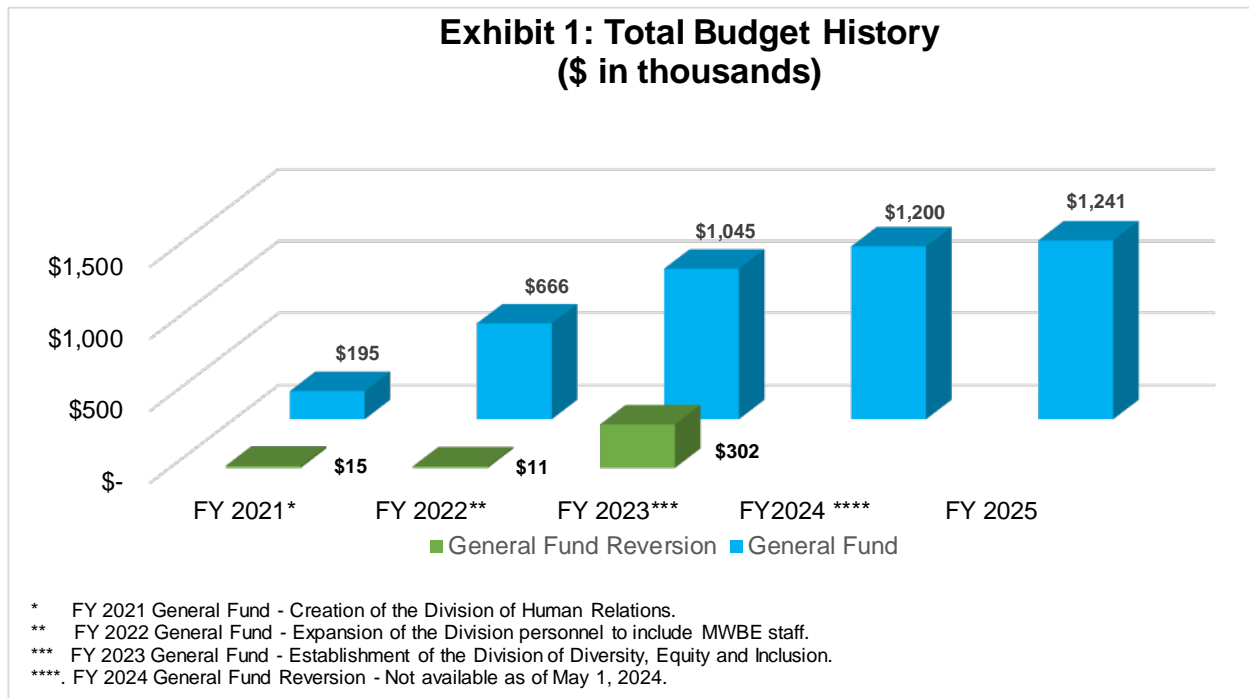
**OFFICE OF HUMAN RESOURCES (013)
DIVISION OF DIVERSITY, EQUITY AND INCLUSION**

BUDGET SUMMARY:

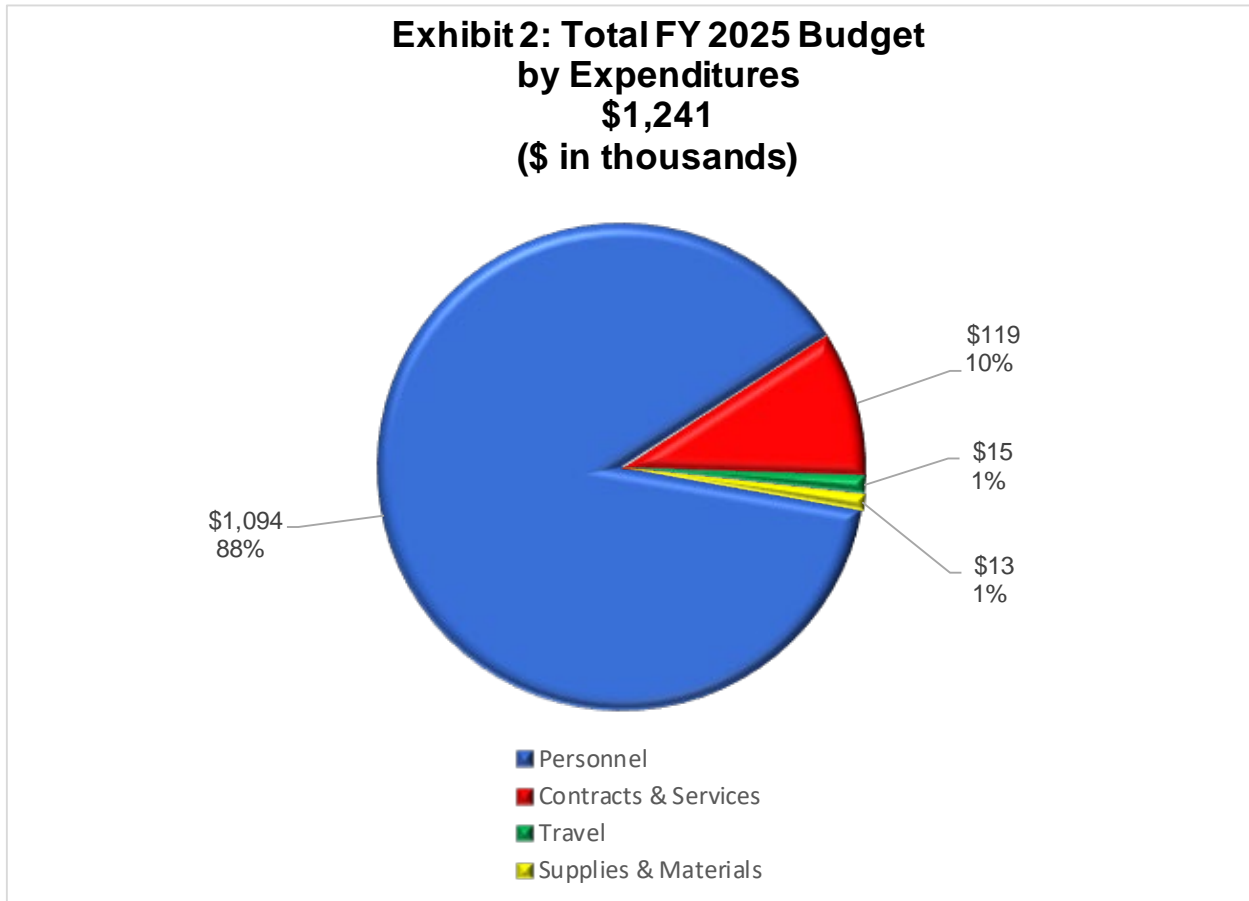
The proposed FY 2025 budget for the Office of Human Resources (OHR), Division of Diversity, Equity and Inclusion (funded via OHR’s Human Relations Program), totals \$1.2 million, an increase of \$41 thousand, or 3.5%, over the FY 2024 budget. See details beginning on page 4.

	General Fund (\$ in thousands)
2025 Request	\$ 1,241
2024 Appropriation	1,200
\$ Increase	\$ 41
% Increase	3.5%

See Exhibit 1 for a history of the Division’s budget and Exhibit 2 for the distribution of the Division’s expenditures as proposed for FY 2025.



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BUDGET FLEXIBILITY:

As shown in Exhibit 2, the Division's budget consists mainly of personnel. Presently, the Division has two vacant positions, a Minority and Business Enterprise Officer and an Office Administrator, with FY 2025 budgeted salaries of \$75 thousand and \$50 thousand, respectively, and no FY 2025 turnover budgeted, which could potentially provide the Division with some budget flexibility during FY 2025; however, the Division's authorized staffing level is not increased over the FY 2024 level. Additionally, the Division's budget includes \$15 thousand for planned contractual services for "vendor services for the annual DEI report" – specifically, to "provide technical assistance and assist with conceptualizing the work of the Division over the course of the reporting period" and "assist in strategizing the structure and communication of the qualitative and quantitative data available." Similar contractual expenses totaling \$24,000 were incurred in FY 2024, in support of the Division's 2023 Annual Report.

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OPERATING BUDGET HIGHLIGHTS:

General Fund

Of the \$41 thousand increase, \$14 thousand (34%) is attributable to personnel expenses and \$27 thousand (66%) for operating expenses, as detailed in #1 and #2, respectively.

1. Personnel Expenses total \$1.1 million (88.1% of the budget), an increase of \$14 thousand, or 1.3%, primarily for the following:

- **\$37 thousand – Salary Enhancements**
 - \$15 thousand – 3% COLA effective January 1, 2025.
 - \$12 thousand – Increments and Longevities
 - \$10 thousand – FY 2025 effect of FY 2024 COLA
 - The FY 2024 budget, adopted in May 2023, included a 2% employee COLA, effective in January 2024; thus, the FY 2024 budget absorbed a portion of the annual cost of this salary enhancement; the remaining portion of the annual cost is realized in FY 2025.
- **(\$23 thousand) – Other Personnel Adjustments**
 - (\$9 thousand) – Employee professional development training
 - (\$14 thousand) – Other salary adjustments

The Division should be prepared to discuss the impact of salary enhancements on its ability to attract and retain staff.

2. Operating Expenses total \$148 thousand, an increase of \$27 thousand, or 22.5%, primarily for the following:

- **\$33 thousand – Professional Services**
 - The Division advised that the increase is primarily related to:
 - \$15 thousand for new language access and translation services (the Division's share of the County's planned approximately \$120,000 contract) to ensure that the Division's public-facing documents are properly translated and that services are available for verbal translation when engaging the community; and

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- \$15,000 for the Annual DEI Report (due to the County Council and County Executive by December 31), where the vendor will assist with the formatting, content creation/storytelling, and organization of the qualitative and quantitative data available (a vendor was similarly utilized for the 2023 Annual DEI Report).

The Division should be prepared to discuss its need for a consultant for the Annual DEI Report rather than performing these services in-house, and whether it procures these services competitively.

TOPICS FOR DISCUSSION

3. The Division's Responsibilities

On June 8, 2023, the County Council passed Bill 32-23 (effective July 1, 2023), which codified the Division of Diversity, Equity and Inclusion within the Office of Human Resources and provided for the appointment of a Chief (to also serve as the Executive Director of the Human Relations Commission) and staff. The bill provided that the purpose of the Division is to advance and advise on fair policies and practices. Further, the bill provided that the Division is required to submit an annual report to the County Council and County Executive of its activities, accomplishments, and outcomes by December 31 of each year.

The Division's responsibilities include:

- Coordination with other State and local offices and departments to promote equity-informed planning, policy development, and decision-making;
- Developing and implementing programs, services, and trainings for County staff that support achievement of the County's DEI goals;
- Promoting equitable procurement and contracting practices;
- Advising on policies, services, and distribution of resources to account for the distinct histories, challenges, and needs of different communities;
- Ensuring that the County Minority, Women, and Disadvantaged Business Enterprise programs meet compliance standards and contracting goals; and
- Recommending goals for advancing DEI and developing data-driven metrics to track progress.

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In the fulfillment of these responsibilities, the following functions are under the Division's purview:

- The Human Relations Program, which is comprised of the Human Relations Commission (HRC) and the Title VI compliance operation;
- The Minority and Women-owned Business Enterprise (M/WBE) Program; and
- Engagement with County agencies.

2023 Annual DEI Report

According to the 2023 Annual DEI Report, "The Division of DEI is a County-wide resource and partner to both government and non-government stakeholders. In this capacity, the Division has a range of responsibilities including the oversight of several programs and activities that support governmental and community-driven initiatives." The report notes the Division's participation in the Baltimore County New Americans Task Force and the Baltimore County Equitable Policing Advisory Group, that it convened a county-wide town hall in August 2023 with a focus on workplace safety and mental health, and it provided implicit bias training to the County workforce.

The Division should be prepared to discuss how the proposed budget ensures its responsibilities are met, including relationships with community partners, trainings that promote diversity and inclusion throughout the County workforce, compliance monitoring, etc.

4. The Minority and Women-owned Business Enterprise (M/WBE) Program

The County's M/WBE Program grew out of an initial effort initiated more than 40 years ago. The current M/WBE Program seeks to increase minority and women participation in County contracts, by setting participation goals and monitoring procured agreements valued at \$25,000 and greater for compliance. In January 2023, the County increased its M/WBE goal from 15% to 30% by FY 2026, and as of FY 2023, the average goal of M/WBE participation for County contracts was 23%.

The Division advised that the March 2021 Disparity Study recommended that the County's M/WBE program expand its practice beyond contract compliance for projects funded by discretionary dollars to include projects funded by the State and Federal Government. In FY 2024, two previously ARPA-funded Specialist Lead positions were transferred to the Human

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Relations General Fund Program to support its compliance management capabilities for State and federally-funded contracts (for a total of five compliance positions).

The Division should be prepared to discuss

- ***FY 2024 statistics for the M/WBE program, including the average percentage of contracts with M/WBE participation and the dollar amount of contracts awarded with M/WBE participation;***
- ***Its efforts to increase the percentage and overall number of State and federal grant (e.g., ARPA grants) awards to M/WBEs;***
- ***How it determines whether a procurement should include a subcontracting requirement, and whether it performs re-evaluations upon contract award to assess efficiency as well as compliance; and***
- ***Plans for meeting the County's subcontracting goal of 30% by FY 2026.***

5. American Rescue Plan Act (ARPA) Projects

The Office of Budget and Finance anticipates \$478 thousand in ARPA funding to be used on racial equity implementation. In this regard, \$280 thousand is being used for the recently approved contract with Daniel Sims Consulting Group, LLC to conduct an enterprise-wide equity assessment to include evaluating current County policies and programs, developing a DEI strategic plan, and providing DEI training to County employees. The assessment is being conducted in three phases and is estimated to take 18 months to complete.

The Division should be prepared to discuss:

- ***An update of the assessment;***
- ***Plans for the remaining ARPA funds; and***
- ***The potential of any ARPA-funded projects moving back to the General Fund Operating Budget in the coming fiscal years.***

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APPROPRIATION DETAIL					
	FY 2023 ACTUAL	FY 2024 APPROP	FY 2025 REQUEST	NET CHANGE	
				AMOUNT	%
<u>General Fund</u>					
Human Relations	\$ 704,176	\$ 1,199,836	\$ 1,241,353	\$ 41,517	3.5%

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PERSONNEL DETAIL

General Fund	FY 2023 ACTUAL		FY 2024 APPROP		FY 2025 REQUEST		NET CHANGE	
	FULL	PART	FULL	PART	FULL	PART	FULL	PART
	Human Relations	7	3	7	5	7	5	0