

South Bend, Indiana Hiring & Contracting Diversity Under Mayor Pete Buttigieg

A Democracy in Color Report

December 12, 2019

Last Updated Dec 13, 2019

EXECUTIVE SUMMARY		3
FINDINGS		4
The P	eople of South Bend, Ind.	4
Buttigieg Appointments		4
	Most Prominent Positions	4
	Five Appointees of Color	5
City Contract Recipients		5
	FY 2017	6
	FY 2018	6
CONCLUSION		7
SOURCES		8

EXECUTIVE SUMMARY

- 46.1% of South Bend, Ind. residents are people of color, and 53.1% of South Bend's residents are White.
- Just 0.76% of \$101 million in city contracts were awarded to Minority Business Enterprises, according to the city's diversity purchasing report.
- The rate at which South Bend has awarded contracts to MBEs is 19 times lower than the rate for the state of Indiana overall, although South Bend is more than two times as racially diverse as the state itself.
- 82% of Buttigleg's senior appointees have been White.

The population of South Bend, Ind. is roughly evenly divided between White people and people of color. Under Mayor Pete Buttigieg, 82.1% of senior appointees have been been White. This analysis seeks to include each individual appointed to a director-level position in city government by Mayor Buttigieg, in addition to his hires of the Chief of Staff to the Mayor's Office — the highest staff position in that office beneath the mayor himself.

The data informing this analysis <u>is here</u>. It leads to the conclusion that, despite South Bend's population being among the most diverse in Indiana, 82% of Mayor Buttigieg's top hires were White. Moreover, White people have been even more disproportionately represented in the most exclusive jobs in city leadership.

Darryl Boykins, an African American law enforcement official, served as police chief until 2012. He was one of five people of color who served in city leadership at some point during the 8-year Buttigieg administration. Boykins was terminated after uncovering racism in his department in a sprawling controversy resulting in what Buttigieg has referred to as a loss of trust among communities of color.

Racial disparities were identified from the disproportionately White staff at the top rungs of the Buttigieg administration to the even lower proportion of contracts distributed to minority-owned business enterprises (MBEs). South Bend has a significantly higher population of people of color than the state of Indiana at large. The Buttigieg administration has overseen a rate of city contracts to MBEs that is 19 times lower than the state of Indiana's rate of MBE contracting, according to the most recent data.

FINDINGS

The People of South Bend

South Bend boasts a diverse population of 101,860 people, according to the <u>latest data</u> available from the U.S. Census Bureau. Of that population, just over half (53.9%) identify as non-Latinx White people. Of the remaining residents, 26.4% identify as Black and 14.4% as Latinx. Other racial categories, including those who identify as two or more races, comprise the remaining 5%.

Buttigieg Appointments

Since his inauguration as Mayor of South Bend on Jan. 1, 2012, Buttigieg's political appointments have failed to draw from the diversity of the city he governs.

Of the top 28 political appointments made by Buttigieg, 23 — or 82.1% — were White¹. For purposes of this analysis, these top jobs are limited to the 10 city department directors appointed by the mayor of South Bend (org chart here), as well as the mayor's top staff role, Chief of Staff.²

Most Prominent Positions

These appointments and hires include a succession of White people appointed to some posts without a single person of color named to that office during Buttigieg's eight years as mayor. Those offices for which multiple White appointees served under Buttigieg without a single appointee of color include Controller (four White Buttigieg appointees), the Executive Director of Community Investment (three White Buttigieg appointees), and Chief of Staff to the Mayor (three White Buttigieg hires).

Those latter two offices for which Buttigieg has neglected to appoint people of color appear particularly important. Chief of Staff is the highest level staff position in the Mayor's office, and is often perceived as a springboard to other influential positions in the public and private sectors of South Bend.

¹ We identified an appointee's racial and ethnic background using visual observation using photographs, social media, appointee biographies and news coverage. All information we worked from is public. The data was submitted to the city of South Bend for verification, but they have not responded as of December 13, 2019. The report will be updated with any additional information from the South Bend government.

² Two effectively reappointed director-level staff were not considered for purposes of this analysis, based on their pre-planned departures early in Mayor Buttigieg's first administration. Buttigieg reappointed Howard Buchanon as fire chief. Buchanon was slated for retirement one month after Buttigieg's inauguration, and his successor, Stephen Cox, was already hired. Gary Gilot was already retired, but stayed on as volunteer director of Public Works early in Buttigieg's mayorship until a successor could be recruited and hired.

The Executive Director of Community investment is an influential office with significant authority over the economic lives of South Bend residents, including the 46.1% who are people of color. Being the top economic official in city government, the role has proven particularly high-profile under mayor Buttigieg, who made economic development the cornerstone of his legacy in South Bend. Like Chief of Staff, Executive Director of Community Investment is also a position considered a rung on the ladder towards other exclusive opportunities. To wit, Mayor-Elect James Mueller, who assumes office on Jan. 1, 2020, held that office after also serving as Buttigieg's Chief of Staff.

Five Appointees of Color

During Mayor Pete Buttigieg's tenure, he appointed five people of color, totalling 17.9% of his high-level appointments.

The tenure of one of the five people of color in official city leadership under Mayor Buttigieg ended in <u>well-documented</u> rancor and controversy. Following his inauguration, Buttigieg permitted South Bend's first Black Chief of Police Darryl Boykins to continue serving in that capacity. Two months later, Buttigieg fired Boykins for recording the phone calls of two officers who reportedly used racial epithets, including in descriptions of Boykins, himself. At Buttigieg's order, the tapes have never been released.

The South Bend Police Department employs 100 officers, but only 6% were Black, according to a recent report. Three of those Black officers <u>sued for racial discrimination</u> by the two White police chiefs to follow Boykins in recent years. Boykins also sued for racial discrimination.

Mayor Buttigieg's other four appointments of people of color include: Shubhada Kambli, Director of Code Enforcement from March 2013 to October 2014; Cristal Brisco, Corporation Counsel (which functions as a city civil attorney) from May 2013 to August 2017; Stephanie Steele, Corporation Counsel from August 2017 to the present; and Santiago Garces, Chief Innovation Officer from January 2015 to January 2019. To the best of our ability to verify the information, this is a complete list.

City Contract Recipients

Founded in the wake of South Bend's legal troubles with several Black police department staff, Buttigieg ordered the creation of South Bend's first Office of Diversity and Inclusion in 2016, his fifth year in office.

FY 2017

In January 2018, that office issued a <u>report</u> on the diversity of city contract recipients during the city's fiscal year for 2017. That year, the fifth of Buttigieg's mayorship, the city contracted for \$101,702,744.20 with outside vendors, including security, food service, toiletries, and construction. Of that total, \$773,120 — or 0.76% — was spent with (MBEs).

The city awarded contracts to 1,349 vendors. Five of those vendors, or 0.37%, were MBEs. Four were certified as MBEs with either an Indiana government entity or the national Small Business Administration. The fifth was only discovered to be an MBE by the city after a complete review of all 1,349 vendors. The report notes that there is a chance of other MBEs having been overlooked in that complete review.

The 0.76% of South Bend city contracting dollars flowing to MBEs stands in stark contrast to the much greater rates of MBE contract awards by the state of Indiana. A <u>2015 study</u> indicated that 7.1% of state contracting dollars go to MBEs, 9 times the rate in South Bend, despite the fact that Indiana as a whole is much less diverse, with about 83.9% White population.

FY 2018

In January 2019, the South Bend Office of Diversity and Inclusion issued their <u>report</u> on the diversity of city contract recipients for the 2018 fiscal year. The report showed nominal increases in the proportion of both MBEs awarded contracts and the city funds those MBEs received, with some wrinkles.

Of \$50,566,203.13 spent on vendors by South Bend in 2018, \$592,097.72 went to MBEs. This represented 1.17% of total city spending on external contractors. Though this total sum was down over \$120,000 from fiscal year 2017, it represented a proportional increase during a lighter year of spending by the city.

One fact skewing the numbers related to MBE contractors of South Bend in 2018 is the city's contract with consultant Colette Holt, <u>reportedly</u> worth \$250,000. That contract, represented 42.2% of South Bend's spending on MBE vendors during fiscal year 2018. Ironically, the South Bend contract with Holt was for a study on the relatively low level of minority- and women-owned businesses.

Subtracting this contract with Holt, all other contracts between South Bend and MBEs during fiscal year 2018 were worth \$342,097.72, or 0.68% of all city spending on external vendors. So without Holt's study analyzing low numbers of MBE contracts, Buttigieg would have overseen a decrease in proportional spending with MBE vendors.

Despite decreased spending with vendors in 2018, the number of vendors receiving contracts increased to 1,808 from just 1,349 in 2017. Of those 1,808 firms, 6 were certified MBEs and 9 were uncertified MBEs.

By way of contrast, Buttigieg's <u>presidential campaign website</u> promises "to aim to award 25% of federal contracting dollars to small business owners from underserved communities," including both MBEs and women-owned firms.

CONCLUSION

During his tenure as mayor, Pete Buttigieg appointed White people for senior leadership positions in his administration far out of proportion with the demographics of the South Bend residents they served. In one of the few situations where Buttigieg did reappoint a senior leader of color, that leader was forced out in a scandal revolving around how to address racism in the ranks of the city police force.

The diversity of South Bend was also far from represented in city contract awards, with just 1% or less of city contracting dollars flowing to MBEs. Buttigieg's record as mayor suggests he left the city of South Bend as unequal as he found it, and made little progress making local government more representative of the city's diversity.

ACKNOWLEDGMENTS

We would like to thank South Bend native Ricky Klee whose <u>research and writing</u> on these issues was extremely helpful and instructive in putting together this report.

SOURCES

- 1. Research Spreadsheet, accessed December 11, 2019.
- 2. Census.gov website, accessed Dec. 9, 2019. https://www.census.gov/quickfacts/fact/table/southbendcityindiana/PST045218
- Michiana Observer website, accessed Dec. 9, 2019.
 https://www.michianaobserver.com/organization-charts.html
- 4. New York Times website, accessed Dec. 9, 2019. https://www.nytimes.com/2019/04/19/us/politics/buttigieg-black-police-chief-fired.html
- 5. South Bend Tribune website, accessed Dec. 9, 2019.

 https://www.southbendtribune.com/news/publicsafety/south-bend-police-officer-alleges-bias-in-lawsuit/article_fcbdaa2c-350f-54ec-96c8-2cc3cda55198.html
- 6. New York Times website, accessed Dec. 9, 2019. https://www.nytimes.com/2019/08/30/us/politics/pete-buttigieg-south-bend-police.html
- 7. City of South Bend, Annual Diversity Purchasing Report for FY 2017, accessed Dec. 9, 2019.
 - https://newscdn.weigelbroadcasting.com/H83cy-1517293770-AR18-183%20Taurean%20Small%201-23-18.pdf
- 8. Indiana state purchasing disparity report, 2015-2016, accessed Dec. 9, 2019. https://www.in.gov/idoa/mwbe/files/Final_Disparity_Study_Report_IDOA.pdf
- 9. City of South Bend, Annual Diversity Purchasing Report for FY 2018, accessed Dec. 9, 2019.
 - $\frac{\text{http://docs.southbendin.gov/WebLink/0/edoc/295384/2018\%20Diversity\%20Purchasing\%}{20Report.pdf}$
- 10. South Bend Tribune website, accessed Dec. 9, 2019.

 https://www.southbendtribune.com/news/local/minority-contracting-study-in-south-bend-i
 s-overdue-needs-extra/article_f8c0b99b-1815-54ed-9419-0c77cb4c1de0.html
- peteforamerica.org, accessed Dec. 9, 2019.
 https://peteforamerica.com/policies/douglass-plan/#EqualEmploymentandBusinessOpportunity