



**Committee:** GO  
**Committee Review:** Completed  
**Staff:** Christine Wellons, Chief Legislative Attorney  
**Purpose:** Final action – vote expected

AGENDA ITEM #2A  
July 15, 2025  
**Action**

## SUBJECTS

Expedited Bill 10-25, Personnel and Human Resources – Hiring Displaced Federal Workers

Lead Sponsor: Council Vice-President Jawando

Co-Sponsors: Councilmembers Friedson, Mink, Sayles, Balcombe, and Council President Stewart

## EXPECTED ATTENDEES

N/A

## COUNCIL DECISION POINTS & COMMITTEE RECOMMENDATION

- The Government Operations and Fiscal Policy (GO) Committee recommends (3-0) the enactment of Expedited Bill 10-25 with amendments.
- A roll call vote on the GO Committee’s recommendation is expected.

## DESCRIPTION/ISSUE

Expedited Bill 10-25 would:

- (1) establish a preference in County hiring for displaced federal workers; and
- (2) generally amend the law concerning personnel and human resources.

## SUMMARY OF KEY DISCUSSION POINTS

- The GO Committee recommends the enactment of Expedited Bill 10-25 with amendments to:
- place the preference for displaced federal workers below the existing preference for veterans without disabilities and non-veterans with disabilities;
  - clarify the documentation that must be provided by a displaced federal worker;
  - remove the requirement that a displaced federal worker would have to demonstrate a loss of income in order to qualify for the preference;
  - clarify the contents of required executive regulations;
  - sunset the legislation on July 2, 2027; and
  - make technical clarifications.

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**M E M O R A N D U M**

July 10, 2025

TO: County Council

FROM: Christine Wellons, Chief Legislative Attorney

SUBJECT: Expedited Bill 10-25, Personnel and Human Resources – Hiring Displaced Federal Workers

PURPOSE: Action – Roll call vote expected

**Committee Recommendation:**

The Government Operations and Fiscal Policy (GO) Committee voted unanimously to recommend the enactment of Expedited Bill 10-25 with amendments.

Expedited Bill 10-25, Personnel and Human Resources – Hiring Displaced Federal Workers, was introduced on March 18, 2025. The Lead Sponsor is Council Vice-President Jawando. The Co-Sponsors are Councilmembers Friedson, Mink, Sayles, Balcombe, and Council President Stewart. A public hearing on the bill took place on April 1.

On June 12, the GO Committee considered the bill and recommended (3-0) the enactment of the bill with amendments.

Expedited Bill 10-25 would:

- (1) establish a preference in County hiring for displaced federal workers; and
- (2) generally amend the law concerning personnel and human resources.

**BACKGROUND**

The purpose of Expedited Bill 10-25 is to provide a hiring preference for former federal workers whose positions are eliminated or who are subject to reductions in force.

**BILL SPECIFICS**

Under current law, Section 33-7 of the Code, the County provides a hiring preference to job applicants in the following order of preference:

- A County employee who is unable to perform the employee's job because of a disability or injury under the ADA;
- A County employee subject to a County reduction-in-force;
- A county employee who was granted a temporary disability retirement under the Employees Retirement System or an initial or temporary disability benefit of any type under the Retirement Savings Plan or the Guaranteed Retirement Income Plan but is no longer eligible for such a temporary disability retirement or benefit;
- a veteran with a disability; and
- an equal preference for a veteran without a disability and a non-veteran with a disability.

As originally introduced, Expedited Bill 10-25 would add to the list of preferences under Section 33-7 a preference for "displaced federal workers." The preference would be equal to the preference already given to veterans without disabilities and to non-veterans with disabilities.

The bill would define the term "displaced federal worker" as a former federal employee who:

- resides in the County;
- on or after January 1, 2025, received:
  - o a notification from the federal government that the individual's federal position was no longer needed, or that the individual was subject to a federal reduction in force; and
  - o a notification of personnel action from the federal government that separated the individual from federal employment; and
- demonstrates a loss of income because of the separation from federal employment.

Within 60 days after the bill's expedited effective date, the Executive would be required to submit to the Council Method (1) regulations regarding application and documentation requirements to qualify as a displaced federal worker; and regarding the administration of the hiring preference for displaced federal workers.

As originally introduced, the bill would sunset one year after its effective date.

#### **SUMMARY OF IMPACT STATEMENTS**

**Fiscal impact.** The Office of Management and Budget states: "The impact on County expenditures is estimated at \$368,052 in FY26 only." During the GO worksession, the Office of Human Resources (OHR) stated that the amendments recommended by the GO Committee will reduce the expected fiscal impact of the bill.

**Economic impact.** “The Office of Legislative Oversight (OLO) anticipates that Expedited Bill 10-25 would have a positive impact on economic conditions in the County in terms of the Council’s priority economic indicators.”

**Racial equity and social justice.** “The Office of Legislative Oversight (OLO) anticipates Bill 10-25 will have a minimal impact on racial equity and social justice (RESJ) in the County. Black community members could disproportionately benefit from a hiring preference for displaced federal workers given their strong representation in the federal workforce. However, this benefit could be offset by the disadvantage of the hiring preference to community members who are not displaced federal workers, especially younger workers, who are more likely to be Black and Latinx.”

**Climate assessment.** “The Office of Legislative Oversight (OLO) anticipates Expedited Bill 10-25 will have no impact on the County’s contribution to addressing climate change as the Bill is proposing a hiring preference within Montgomery County Government for displaced federal workers which would expire after a year if enacted.”

#### **SUMMARY OF PUBLIC TESTIMONY**

Ms. Swanson testified in support of the bill on behalf of the County Executive. The County Executive’s Office indicated that they would discuss potential amendments to the bill with the sponsor to address potential implementation issues.

A County resident who recently lost their federal employment spoke in support of the bill. The resident recommended that the bill should not be limited to former federal employees, but it should also apply to current federal employees who have received notices of future job loss.

#### **SUMMARY OF THE COMMITTEE’S WORKSESSION AND RECOMMENDATIONS**

The Lead Sponsor, Council Vice-President Jawando, after consultation with the County Executive’s Office and the Office of Human Resources, proposed the following potential amendments to the bill. The proposed amendments also are reflected at © 24 in tracked changes.

After consideration of each amendment, the GO Committee recommended their adoption.

##### **1. Alter the Order of Hiring Preferences.**

Under the bill as introduced, a displaced federal worker would have a preference equal to that of veterans without disabilities and non-veterans with disabilities. The GO Committee recommends amending the bill so that a displaced federal worker would have a lower preference than veterans and individuals with disabilities.

*Amend lines 6-24 to read as follows.*

- (3) Competitive appointment.

- (A) Except as provided in Subsection (e), the regulation must establish and maintain a preference under the following order of preference:

\* \* \*

- (iv) a veteran with a disability; ~~[[and]]~~
- (v) an equal preference for a veteran without a disability~~[[.]]~~  
~~[and]~~ and a non- veteran with a disability~~[[.]]~~; and
- (vi) a displaced federal worker under Subsection (k).

## **2. Refine the Definition of Displaced Federal Worker.**

The GO Committee recommends the following amendment to clarify the definition of “displaced federal worker” to remove a requirement that the displaced worker must show a loss of income in order to qualify for the preference. This amendment would reduce the administrative burden on OHR to implement the preference, as well as the burden on applicants who seek the preference. Technical clarifications are also included in the amendment.

*Amend lines 42-58 to read as follows.*

- (2) For purposes of this Section, the term *displaced federal worker* means a former federal employee who:
- (A) resides in the County; and
- (B) on or after January 1, 2025, received:
- (i) [[a notification from the federal government that the individual’s federal position was no longer needed, or that the individual was subject to a federal reduction in force; and]]
- ~~[[ii]]~~ [[a] notification of personnel action from the federal government that separated the individual from federal employment; and
- (iii) notification from the federal government that the reason for separation is that the individual’s position is no longer

needed, or that the individual was subject to a federal reduction in force.

[(C) demonstrates a loss of income because of the separation from federal employment.]

(3) The term *displaced federal worker* does not include:

(A) an individual subject to downgrade or reassignment; [[or]]

(B) an individual eligible to receive a higher preference under Subsections (d)(3)(A)[(iv)] or (e); or

(C) an individual separated from federal employment for a reason other than those stated in subsection (k)(2)(B)(ii).

### **3. Specify the Components of the Required Executive Regulation.**

The GO Committee adopted the following amendment to specify in more detail the subject matters that must be addressed in executive regulations to implement the bill.

*Amend lines 59-64 to read as follows.*

(4) The Executive must establish by personnel regulation, under Method (1), standards for the:

(A) application and documentation requirements to qualify as a displaced federal worker; [[and]]

(B) [[administration of the hiring preference for displaced federal workers]] rating and eligibility for inclusion of a displaced federal worker among the highest rating category for a merit system position in a normal competitive process; and

(C) implementation of this subsection (k).

### **4. Establish a Date Certain for the Sunset of the Bill.**

As originally introduced, the bill would sunset one year after its effective date. Based upon feedback from OHR, the GO Committee recommends instead a date certain of July 2, 2027.

*Amend lines 76-77 to read as follows.*

**Sec. 5. Sunset.** This Act must sunset and must have no further force and effect on [[the date that occurs one year after the effective date of the Act]] July 2, 2027.

**NEXT STEP:** Roll call vote on whether to enact Expedited Bill 10-25 with amendments, as recommended (3-0) by the GO Committee.

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Expedited Bill No. 10-25  
Concerning: Personnel and Human  
Resources – Hiring Displaced  
Federal Workers  
Revised: 6/12/2025 Draft No. 2  
Introduced: March 18, 2025  
Expires: December 7, 2026  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: None  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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Lead Sponsor: Council Vice-President Jawando  
Co-Sponsor: Councilmembers Friedson, Mink, Sayles, Balcombe, and Council President Stewart

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**AN EXPEDITED ACT** to:

- (1) establish a preference in County hiring for displaced federal workers; and
- (2) generally amend the law concerning personnel and human resources.

By amending

Chapter 33, Personnel and Human Resources  
Section 33-7

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

*The County Council for Montgomery County, Maryland approves the following Act:*

1       **Sec. 1. Section 33-7 is amended as follows:**

2       **33-7. County executive and merit system protection board responsibilities.**

3                               \*       \*       \*

4       (d) *Hiring persons with disabilities.*

5                               \*       \*       \*

6               (3)   Competitive appointment.

7               (A)   Except as provided in Subsection (e), the regulation must  
8                       establish and maintain a preference under the following  
9                       order of preference:

10              (i)   an employee who is unable to perform the  
11                     employee's job because of a disability or injury  
12                     under the ADA;

13              (ii)  an employee subject to reduction-in-force;

14              (iii) an employee who was granted a temporary  
15                     disability retirement under the Employees  
16                     Retirement System or an initial or temporary  
17                     disability benefit of any type under the Retirement  
18                     Savings Plan or the Guaranteed Retirement Income  
19                     Plan but is no longer eligible for such a temporary  
20                     disability retirement or benefit;

21              (iv)  a veteran with a disability; ~~[[and]]~~

22              (v)   an equal preference for a veteran without a  
23                     disability~~[[,]]~~ ~~[and]~~ and a non-veteran with a  
24                     disability~~[[,]]~~; and

25              (vi)  a displaced federal worker under Subsection (k).

(B) This regulation must only apply the preference in Subparagraphs (A)(iv) and (A)(v) for the initial appointment of a qualified person to a merit system position who is among the highest rating category in a normal competitive process.

\* \* \*

(e) *Hiring Veterans for Uniformed Public Safety Positions.*

\* \* \*

(k) Hiring displaced federal workers.

(1) Findings.

(A) Federal workers are experiencing job uncertainty and high unemployment due to federal downsizing and other federal personnel actions unrelated to individual qualifications and merit.

(B) The skills and experiences of individuals who have served as federal employees are valuable assets for serving in County government.

(2) For purposes of this Section, the term *displaced federal worker* means a former federal employee who:

(A) resides in the County; and

(B) on or after January 1, 2025, received:

(i) [[a notification from the federal government that the individual's federal position was no longer needed, or that the individual was subject to a federal reduction in force; and]]

51 [[~~(ii)~~]] ~~[[a]]~~ notification of personnel action from the  
 52 federal government that separated the individual  
 53 from federal employment; and

54 (ii) notification from the federal government that the  
 55 reason for separation is that the individual's position  
 56 is no longer needed, or that the individual was  
 57 subject to a federal reduction in force.

58 [[~~(C)~~ demonstrates a loss of income because of the separation  
 59 from federal employment.]]

60 (3) The term *displaced federal worker* does not include:

61 (A) an individual subject to downgrade or reassignment; ~~[[or]]~~

62 (B) an individual eligible to receive a higher preference under  
 63 Subsections (d)(3)(A)~~[[~~(iv)~~]]~~ or (e); or

64 (C) an individual separated from federal employment for a  
 65 reason other than those stated in subsection (k)(2)(B)(ii).

66 (4) The Executive must establish by personnel regulation, under  
 67 Method (1), standards for the:

68 (A) application and documentation requirements to qualify as a  
 69 displaced federal worker; ~~[[and]]~~

70 (B) ~~[[administration of the hiring preference for displaced~~  
 71 ~~federal workers]]~~ rating and eligibility for inclusion of a  
 72 displaced federal worker among the highest rating category  
 73 for a merit system position in a normal competitive  
 74 process; and

75 (C) implementation of this subsection (k).

76       **Sec. 2. Effective Date.** The Council declares that this legislation is necessary  
77 for the immediate protection of the public interest. This Act takes effect on the date  
78 on which it becomes law.

79       **Sec. 3. Regulations.** The Executive must submit to the Council Method (1)  
80 regulations under this Act no later than 60 days after the effective date of this Act.  
81 The preference established under this Act must be administered immediately upon  
82 the adoption of the Method (1) regulations.

83       **Sec. 4. Coordination with Employee Organization.** The Council intends  
84 that the Executive and an applicable employee organization immediately address and  
85 resolve any wage compression that may be caused by hiring a displaced federal  
86 worker above the entry level salary for the position.

87       **Sec. 5. Sunset.** This Act must sunset and must have no further force and  
88 effect on [[the date that occurs one year after the effective date of the Act]] July 2,  
89 2027.



## Montgomery County Council

### MEMORANDUM

March 11, 2025

TO: Montgomery County Council

FROM: Will Jawando, Council Vice President

SUBJECT: Proposed Bill XX-25, Personnel and Human Resources – Hiring Displaced Federal Workers

Dear colleagues, I am writing to inform you that I have requested introduction, on March 18, of an expedited bill to establish a hiring preference within the Montgomery County Government for federal employees who have recently been displaced and faced a loss of income. This bill is intended as a local response to the sweeping, unpredictable, and in many cases, illegal personnel changes under the Trump administration that have left many workers vulnerable to financial instability and uncertainty. Unfortunately, to date more than 1,000 Montgomery County federal workers have been fired.

This proposed legislation would provide a more secure avenue for some federal workers in Montgomery County to continue their careers in public service. By offering a hiring preference, the County can help mitigate the fallout from abrupt federal layoffs while strengthening our workforce with experienced public servants.

Please let my chief of staff and I know by COB Wednesday, March 12th if you wish to be listed as a cosponsor.

Thank you for your consideration.



# Fiscal Impact Statement

Office of Management and Budget

Bill 10-25

Personnel and Human Resources - Hiring Displaced Federal Workers

Bill Summary

Expedited Bill 10-25 establishes a preference in County hiring for displaced federal workers, equal to hiring preferences for persons with disabilities and veterans of the armed forces. The legislation defines a displaced federal worker as a former federal employee who: 1. resides in Montgomery County; 2. on or after January 1, 2025, received: a) a notification from the federal government that the individual's federal position was no longer needed, or that the individual was subject to a federal reduction in force; and b) a notification of personnel action from the federal government that separated the individual from federal employment; and 3. demonstrates a loss of income because of the separation from federal employment. The bill also notes that a displaced federal worker does not include an individual subject to downgrade or reassignment; or an individual eligible to receive a preference as indicated in the Montgomery County Personnel Regulations (MCPR) as a veteran with a disability or as eligible to receive a preference under Hiring Veterans for Uniformed Public Safety Positions. This bill sunsets one year after the date upon which it is effective.

Fiscal Impact Summary

The impact on County expenditures is estimated at \$368,052 in FY26 only. The Office of Human Resources (OHR) anticipates that implementation of the bill will impact several areas as described below. The bill is not expected to impact County revenues.

Fiscal Year	2025	2026	2027	2028	2029	2030	Total
Personnel Costs	\$0	\$368,052	\$0	\$0	\$0	\$0	\$368,052
Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenditures	\$0	\$368,052	\$0	\$0	\$0	\$0	\$368,052
Revenues	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Impact	\$0	(\$368,052)	\$0	\$0	\$0	\$0	(\$368,052)
FTE	0.00	0.00	0.00	0.00	0.00	0.00	

Fiscal Impact Analysis

OHR expects that additional staffing will be needed to mitigate the operational impacts of implementation of a hiring preference for displaced federal workers. Examples of primary and secondary areas of impact include:

Extra Staff Time and/or Special Processing Time for the Preference

OHR expects that Human Resources (HR) Specialists on the Recruitment and Selection Team will need additional staff time, given the additional volume of applications anticipated based on the announcement of this preference, as well as the increased complexity, volume, and additional steps in reviewing preference documentation and supporting hiring departments in complying with the updated law. OHR expects this to delay the hiring process per recruitment by an additional 10 - 31 business days.

OHR has a Service Level Agreement (SLA) with departments to provide an eligible lists of candidates within 10 days of a job advertisement closing. To mitigate the



anticipated delay and to meet the SLA standard, OHR would require additional staffing, hiring up to five contractors (estimated at \$31.21/hr. x 5 contractors x 2,000 hours = \$312,100), for the duration of the preference to assist with answering candidate questions, processing applications, creating eligible lists, and assisting departments with conducting first-round interviews. In addition, OHR anticipates the need to provide overtime to current team members (estimated at \$53.80/hr. x 1,040 hrs. = \$55,952) to meet the anticipated increase in applications and candidate inquiries. Proposed amendments, if adopted, would potentially mitigate costs associated with contractual and other services, by an estimated \$125,000.

This analysis assumes the impact to processing and staff time will begin at the start of the fiscal year; if the bill becomes effective sooner, and/or the required technology setup takes more or less time than anticipated, that start date could shift either direction.

#### Required Effort to Comply with the Bill Provisions

- OHR will need to submit an Executive Regulation to amend the MCPR to align with the new preference.
- OHR will need to update its website, jobs board, application supplemental questions.
- OHR will need to provide specific, new guidance and training to HR Liaisons and hiring managers.

#### Potential Operational Impact on Filling County Vacancies

This legislation is anticipated to impact the County's recruitment and selection processes and might cause delays created by new screening requirements (to certify that candidates meet the established criteria) and increase in the numbers of compulsory interviews. Since the transition to GovernmentJobs.com as the County's jobs board for County positions and the use of elevated recruitment sourcing platforms, the average job advertisement now receives 85 applications with 44 qualified applicants (including hiring preference candidates).

Adding additional volume to the already robust applicant pool will delay processing time for the creation of larger eligible lists with larger hiring preference lists, which will also require more time by hiring departments in providing the hiring preference process to the increased hiring preference pool. OHR notes that applicant pool quality is already exceeding expectations, with only 3% of hiring managers dissatisfied with the quality of candidates in their search, and 100% of hiring managers agreeing that they would hire the same candidate again if given the choice.

Due to a brief down-period associated with the implementation of the hiring preference questions and materials into the NEOGOV system, OHR also anticipates a small negative impact in filling vacancies given the need to close all existing advertisements at a date certain, and then opening new advertisements at a date certain after the implementation has been tested.

OHR does not anticipate any impact on wage compression, or the creation of any wage inequities, as the salary-on-hire process will not change based on this legislation. The salary-on-hire process will maintain its specific protocols for setting the salary of a new hire to ensure wage equity.





<b>Staff Impact</b>	<p>OHR expects that additional staff time will be needed by HR Specialists on the Recruitment and Selection Team as described above. Additional resources, including contractual staff and/or overtime support, will also be needed. OHR anticipates that hiring departments will need additional staff time to conduct more first-round interviews due to the increase in hiring preference candidates. With the current structure of the hiring preference process, hiring managers may be required to hold multiple first-round interviews. The preference is expected to delay the hiring process per recruitment an additional week to four weeks, depending on the number of additional preference candidates. In total, OHR expects the hiring preference to delay the average recruitment an additional 10 to 31 calendar days, from ~100 days currently to around 130 days.</p> <p>The roll-up to implementation is anticipated to require staff time from Technology and Enterprise Business Solutions as well as OHR; it is unknown at this time whether this would result in additional costs, either in staff/contractual costs or opportunity costs for projects that might be delayed in order to address this unanticipated requirement. Additionally, there could be impacts to individual departments that would be difficult to quantify in the event this bill results in a department being required to interview more candidates that they otherwise would have interviewed without the preference in place. Finally, the projected increase to average time to hire could result in impacts to departments where the vacancies are being covered by overtime or contractual spend, with additional need to rely on that coverage while waiting to complete the recruitment.</p>
<b>Actuarial Analysis</b>	<p>The bill is not expected to impact retiree pension or group insurance costs.</p>
<b>Information Technology Impact</b>	<p>OHR indicates that implementation of the bill will require modifications to the County's applicant tracking system, NEOGOV, to upgrade the system with the criteria, preference questions and interfaces for collection of relevant documentation. To fully realize the new preference in the County's hiring platform, there will be a need for a cessation of recruitment and hiring activities in order for the upgrades to be integrated into all job advertisements after the implementation date.</p>
<b>Other Information</b>	
<i>Later actions that may impact revenue or expenditures if future spending is projected</i>	<p>The bill does not authorize future spending.</p>
<b>Contributors</b>	<p>Samuel Frushour, Office of Human Resources Shantee Jackson, Office of Management and Budget</p>



# Racial Equity and Social Justice (RESJ) Impact Statement

Office of Legislative Oversight

## EXPEDITED BILL 10-25: PERSONNEL AND HUMAN RESOURCES – HIRING DISPLACED FEDERAL WORKERS

### SUMMARY

The Office of Legislative Oversight (OLO) anticipates Bill 10-25 will have a minimal impact on racial equity and social justice (RESJ) in the County. Black community members could disproportionately benefit from a hiring preference for displaced federal workers given their strong representation in the federal workforce. However, this benefit could be offset by the disadvantage of the hiring preference to community members who are not displaced federal workers, especially younger workers, who are more likely to be Black and Latinx.

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### PURPOSE OF RESJ IMPACT STATEMENTS

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 important 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>

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### PURPOSE OF EXPEDITED BILL 10-25

As part of its broad and disruptive efforts to dismantle certain segments of the federal government, the Trump administration has reportedly fired at least 105,961 federal employees.<sup>3</sup> Montgomery County is particularly vulnerable to economic disruptions from the large-scale cuts. The County is home to several major federal agencies, such as the National Institutes of Health and the Food and Drug Administration. As of 2023, approximately 70,000 to 79,000 federal employees, along with thousands of federal contractors, resided in the County.<sup>4,5</sup>

The purpose of Expedited Bill 10-25 is to establish a temporary hiring preference within Montgomery County Government for recently laid off federal workers residing in the County.<sup>6</sup> If enacted, the Bill would amend County law to include “displaced federal workers” to the list of preference categories for County employment. This list currently includes veterans with disabilities, veterans, and people with disabilities, among others. The term “displaced federal worker” would be defined as “a former federal employee who:<sup>7</sup>

- resides in the County;
- on or after January 1, 2025, received: (i) a notification from the federal government that the individual’s federal position was no longer needed, or that the individual was subject to a federal reduction in force; and (ii) a notification of personnel action from the federal government that separated the individual from federal employment; and
- demonstrates a loss of income because of the separation from federal employment.”

The Bill would sunset one year after it goes into effect.

# RESJ Impact Statement

## Expedited Bill 10-25

The Council introduced Expedited Bill 10-25, Personnel and Human Resources – Hiring Displaced Federal Workers, on March 18, 2025.

### FEDERAL EMPLOYMENT AND RACIAL EQUITY

Racial discrimination and occupational segregation have long marked all employment sectors in the U.S. Throughout history, employment inequities have largely locked out Black, Indigenous, and other people of color (BIPOC) from quality, family-sustaining jobs. This has disproportionately forced BIPOC into unemployment or into low-paying jobs, often with harsh working conditions and minimal protections. This has also worsened broader economic inequities among BIPOC, including the racial wealth gap and concentrated poverty.

Amid these conditions, the federal government has provided BIPOC an alternate pathway to stable, good-quality employment since the end of the Civil War. This pathway has been especially important for Black Americans, who have historically been a target of employment inequities in the private sector.<sup>8</sup> Nonetheless, while the federal government has provided superior employment opportunities to BIPOC, it also has a long history of employment inequities by race. The legacy of Black workers in the U.S. civil service can be broadly explained in three phases:

- **Post-emancipation and up to the early 1910s**, federal agencies were relatively unsegregated and employed Black workers at all levels, including high-ranking positions.<sup>9</sup> However, Black workers were disproportionately represented “in lower paid and menial jobs” and faced a substantial pay gap compared to White workers.<sup>10</sup>

The U.S. Postal Service (USPS) played a particularly important role as the largest employer of Black workers following the end of slavery.<sup>11</sup> According to the National Postal Museum, “close to 500 African Americans, including 116 postmasters, are known to have served during Reconstruction.”<sup>12</sup> The Center for American Progress (CAP) notes, even amid overt racial discrimination in American culture and policymaking, “the USPS consistently provided Black workers with genuine economic opportunities well beyond those afforded by the private sector.”<sup>13</sup>

- **In 1913**, upon entering office, President Woodrow Wilson enacted an executive order to racially segregate the federal government. The order came as a surprise, as Wilson was elected to office on a campaign promise of equal treatment that won him strong support among Black voters. Researchers from the University of California Berkeley note Wilson’s segregation order “was designed to limit the access of Black civil servants to white-collar positions via both demotions and the failure to hire qualified Black candidates.” Their research found the segregation policy increased the salary gap between Black and White federal workers by almost 20 percent.<sup>14</sup>

Following the Woodrow administration, executive actions taken by several presidents helped to slowly desegregate the federal workforce.<sup>15</sup> This includes executive orders from President Harry Truman in 1948, which desegregated the U.S. civil service and the Armed Forces.<sup>16</sup> However, the federal workforce was not fully desegregated until the height of the Civil Rights Movement with the implementation of an executive order issued by President John F. Kennedy in 1961.<sup>17</sup>

- **The passage of the Equal Employment Opportunity Act (EEOA) in 1972** gave the “full force of statutory law...to equal employment opportunity and affirmative action” within the federal government. The EEOA built upon executive orders issued since the Kennedy administration to address employment inequities experienced by BIPOC federal workers. It gave the Civil Service Commission the authority to require anti-discrimination action plans from federal agencies and enforce their implementation.<sup>18</sup>

The enactment of the EEOA marked a turning point in the occupational segregation of Black federal workers. From 1970 to 1976, the share of Black workers in positions above the GS-8 pay grade increased from 17 percent

# RESJ Impact Statement

## Expedited Bill 10-25

to 23 percent.<sup>19</sup> By 1995, 32 percent of Black workers were in positions above the GS-9 pay grade.<sup>20</sup> Despite these gains, a 1996 report issued by the U.S. Merit Systems Protection Board noted that BIPOC federal workers continued to be concentrated in lower paying occupations. Further, compared to White men, BIPOC federal workers had lower average pay grades, even when controlling for education, experience, and other advancement-related factors.<sup>21</sup>

Today, Black workers continue to have strong representation within the federal workforce. While Black workers account for 13 percent of the U.S. labor force, they account for 19 percent of the federal workforce.<sup>22</sup> However, Black workers continue to be underrepresented in higher level positions within the civil service.<sup>23</sup> Moreover, some BIPOC groups, such as Latinx workers, are persistently underrepresented among federal workers.<sup>24</sup> Nonetheless, researchers credit the federal government with helping to build today's Black middle class,<sup>25</sup> including in the DC area.<sup>26</sup> They argue the Trump administration's mass layoffs and dismantling of diversity, equity, and inclusion initiatives within the federal government puts economic stability and independence for Black workers especially at-risk.<sup>27</sup>

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### ANTICIPATED RESJ IMPACTS

To consider the anticipated impact of Expedited Bill 10-25 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?

OLO identified the following groups who would be impacted by Bill 10-25:

- **Community members who are displaced federal workers** would benefit from a hiring preference for County employment. Table A (Appendix) shows the breakdown of the federal workforce by race and ethnicity. The data shows, compared to the U.S. labor force, Black people are overrepresented among federal workers. Asian, Native American, and Pacific Islander people are proportionately represented among federal workers, while Latinx and White people are underrepresented.

Of note, as of 2023, 80 percent of the federal workforce was located outside of the DC metro area. Table B (Appendix) shows local data on the rate of employment in the public sector by race and ethnicity. This includes employment in federal, state, and local government. This data suggests the demographics of local federal workers may differ from the demographics of the federal workforce as a whole. White and Asian community members are more likely to be public sector workers. Black community members are slightly less likely to be public sector workers, while Latinx community members are much less likely.

- **Community members who are not displaced federal workers** and who are applying for County employment would be disadvantaged by the hiring preference for displaced federal workers. This would particularly disadvantage younger community members, especially those who are BIPOC, since they already experience considerable barriers to employment.<sup>28,29</sup> Table C (Appendix) shows the rate of community members in the County who are between the ages of 18 and 24 by race and ethnicity. The data suggests Latinx, and to a lesser extent Black, community members are more likely to be younger workers, while White and Asian community members are slightly less likely.

# RESJ Impact Statement

## Expedited Bill 10-25

**Conclusion.** OLO anticipates Bill 10-25 will have a minimal impact on RESJ in the County. Black community members could disproportionately benefit from a hiring preference for displaced federal workers given their strong representation in the federal workforce. However, this benefit could be offset by the disadvantage of the hiring preference to community members who are not displaced federal workers, especially younger workers, who are more likely to be Black and Latinx.

### RECOMMENDED AMENDMENTS

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>30</sup> OLO anticipates Expedited Bill 10-25 will have a minimal impact on RESJ in the County. As such, OLO does not offer recommended amendments.

### CAVEATS

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.

### APPENDIX

**Table A: Federal Workforce by Race and Ethnicity, United States, 2023<sup>31</sup>**

Race and ethnicity	Percent of Federal Workforce	Percent of U.S. Workforce
Asian	6.7	7.0
Black	18.8	13.0
Native American	1.5	1.0
Pacific Islander	0.6	0.5
White	59.5	76.0
Latinx	10.0	19.0

Source: [A Profile of the 2023 Federal Workforce](#), Partnership for Public Service; [Labor force characteristics by race and ethnicity, 2023](#), U.S. Bureau of Labor Statistics.

**Table B: Rate of Public Administration Workers by Race and Ethnicity, Montgomery County, 2023**

Race and ethnicity	Share of Public Administration Workers
Asian	12.0
Black	9.0
White	12.3
Latinx	6.7
County Rate	10.5

Source: [Table S0201](#), 2023 American Community Survey 1-Year Estimates, Census Bureau.

# RESJ Impact Statement

## Expedited Bill 10-25

**Table C: Rate of Community Members Ages 18-24 by Race and Ethnicity, Montgomery County, 2023**

Race and ethnicity	Share of Community Members Ages 18-24
Asian	6.3
Black	8.5
White	6.4
Latinx	9.9
County Rate	7.7

Source: [Table S0201](#), 2023 American Community Survey 1-Year Estimates, Census Bureau.

<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](#).

<sup>2</sup> Ibid.

<sup>3</sup> Annette Choi, et al., [“Tracking Trump’s overhaul of the federal workforce,”](#) CNN, last updated on March 19, 2025.

<sup>4</sup> [Table K202402](#), 2023 American Community 1-Year Supplemental Estimates, Census Bureau.

<sup>5</sup> [Major Employers in Montgomery County, Maryland](#), Maryland Department of Commerce, October 2015.

<sup>6</sup> [Introduction Staff Report for Bill 10-25](#), Montgomery County Council, Introduced March 18, 2025.

<sup>7</sup> Ibid.

<sup>8</sup> Micheal Madowitz, et al., [“Public Work Provides Economic Security for Black Families and Communities,”](#) Center for American Progress, October 23, 2020.

<sup>9</sup> [Segregation in Federal Government](#), Oxford Bibliographies, Last Modified August 20, 2024.

<sup>10</sup> Morgan Foy, [“How Woodrow Wilson’s racist policies eroded the Black civil service,”](#) Berkely Haas, October 27, 2020.

<sup>11</sup> Ibid.

<sup>12</sup> [Reconstruction: Successes and Challenges](#), “The History and Experiences of African Americans in America’s Postal Service,” National Postal Museum.

<sup>13</sup> Michael Madowitz, et al.

<sup>14</sup> Foy.

<sup>15</sup> Frederick W. Gooding, Jr., [“American Dream Deferred: Black Federal Workers in Washington, D.C., 1941-1981,”](#) Georgetown University Library, June 20, 2013, pg. 128.

<sup>16</sup> [“Executive Orders 9980 and 9981: Ending segregation in the Armed Forces and the Federal workforce,”](#) Pieces of History, National Archives, May 19, 2014.

<sup>17</sup> Gooding, Jr., pg. 125.

<sup>18</sup> Winfield H. Rose and Tiang Ping Chia, [“The Impact of the Equal Employment Opportunity Act of 1972 on Black Employment in the Federal Service: A Preliminary Analysis,”](#) Public Administration Review, May-June 1978, pg. 246.

<sup>19</sup> [“Minority Group Employment in the Federal Government,”](#) U.S. Civil Service Commission, Bureau of Personnel Management and Information Systems, May 1976, pg. xv.

<sup>20</sup> Ben L. Erdreich, et al., [“Fair and Equitable Treatment: A Progress Report on Minority Employment in the Federal Government,”](#) U.S. Merit Systems Protection Board, 1996, pg. 11.

<sup>21</sup> Ibid, pgs. viii-ix.

<sup>22</sup> [“A Profile of the 2023 Federal Workforce,”](#) Partnership for Public Service.

<sup>23</sup> [“Federal Workforce: Data Reveal Minor Demographic Changes 2011-2021”](#) U.S. Government Accountability Office, November 17, 2023, pg. 9.

<sup>24</sup> “A Profile of the 2023 Federal Workforce” and “Federal Workforce: Data Reveal Minor Demographic Changes 2011-2021,” pg. 6.

<sup>25</sup> Michael Madowitz, et al.

<sup>26</sup> Joseph Dean, [“The Federal Workforce, The Creation of the Black Middle Class, and its Tenuous Future: A Black History Month Reflection,”](#) NCRC, February 27, 2025.

<sup>27</sup> Ibid.

<sup>28</sup> Natalie Spievack and Nathan Sick, [“The Youth Workforce,”](#) Urban Institute, July 2019.

# RESJ Impact Statement

## Expedited Bill 10-25

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<sup>29</sup> Elise Gould and Melat Kassa, "[Young workers hit hard by the COVID-19 economy](#)," Economic Policy Institute, October 14, 2020.

<sup>30</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>31</sup> Note, Table A shows the population distributions of the federal and U.S. workforces by race and ethnicity. Tables B and C each show the rate of public administration workers and community members ages 18-24 within each racial and ethnic subgroup and in the County overall.



# Economic Impact Statement

Montgomery County, Maryland

## Expedited Bill 10-25

## Personnel and Human Resources – Hiring Displaced Federal Workers

### SUMMARY

The Office of Legislative Oversight (OLO) anticipates that Expedited Bill 10-25 would have a positive impact on economic conditions in the County in terms of the Council's priority economic indicators. By establishing a one-year hiring preference within MCG for recently laid off federal workers residing in the County, the Bill would likely increase the chances that County residents are hired for open positions over non-residents. Based on well-established findings regarding the economic harms of job displacement, residents hired through this policy would likely face smaller and shorter-lived earnings losses than they would have without the Bill's enactment. Over both the short- and long-terms, this would likely stabilize and improve household income for certain beneficiaries.

Additionally, by helping recently laid-off federal workers transition into County employment, the Bill could mitigate sharp reductions in household spending. In turn, this may help protect local businesses from potential revenue and income losses.

Finally, the Bill may also reduce capital outflow—defined as the movement of income out of the jurisdiction. Each position filled by a County resident rather than a non-resident would ensure that taxpayer-funded salaries remain within the County. Moreover, by providing more local employment opportunities, the Bill may reduce the likelihood that displaced federal employees currently living in the County will relocate elsewhere for work, thereby helping to mitigate income outflows associated with the mass layoffs of federal workers.

### BACKGROUND AND PURPOSE OF EXPEDITED BILL 10-25

As part of its broad and disruptive efforts to dismantle certain segments of the federal government, the Trump administration has reportedly fired at least 105,961 federal employees.<sup>1</sup> Montgomery County is particularly vulnerable to economic disruptions from the large-scale cuts. The County is home to several major federal agencies, such as the National Institutes of Health and the Food and Drug Administration. As of 2023, approximately 70,000 to 79,000 federal employees, along with thousands of federal contractors, resided in the County.<sup>2</sup>

The purpose of Expedited Bill 10-25 is to establish a temporary hiring preference within Montgomery County Government (MCG) for recently laid off federal workers residing in the County.<sup>3</sup> The Bill would amend Section 33-7 of the Montgomery County Code to include “displaced federal workers” to the list of preference categories,

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<sup>1</sup> “[Tracking Trump’s overhaul of the federal workforce](#),” CNN, last updated on March 19, 2025.

<sup>2</sup> American Community Survey, [K202402: Class of Worker for the Civilian Employed Population 16 Years and Over](#), U.S. Census Bureau, 2023. [Major Employers in Montgomery County, Maryland](#), Maryland Department of Commerce, accessed March 21, 2025.

<sup>3</sup> Montgomery County Council, [Introduction Staff Report for Expedited Bill 10-25, Personnel and Human Resources – Hiring Displaced Federal Workers](#), March 18, 2021.



which currently include veterans with disabilities, veterans, people with disabilities, among others.<sup>4</sup> The term “displaced federal worker” would be defined as “a former federal employee who:

(A) resides in the County;

(B) on or after January 1, 2025, received: (i) a notification from the federal government that the individual’s federal position was no longer needed, or that the individual was subject to a federal reduction in force; and (ii) a notification of personnel action from the federal government that separated the individual from federal employment; and

(C) demonstrates a loss of income because of the separation from federal employment.”<sup>5</sup>

If enacted, the Bill would sunset one year after it goes into effect.<sup>6</sup>

The Council introduced Expedited Bill 10-25 on March 18, 2025.

## INFORMATION SOURCES, METHODOLOGIES, AND ASSUMPTIONS

As required by 2-81B of the Montgomery County Code, this Economic Impact Statement evaluates the impacts of Expedited Bill 10-25 on residents and private organizations in relation to Council’s priority economic indicators. In doing so, it examines whether the Bill would have a net positive or negative impact on overall economic conditions in the County.<sup>7</sup>

OLO was unable to identify *impact evaluations* on resident preferential hiring policies implemented by state or local governments.<sup>8</sup> Instead, OLO reviewed several recent literature reviews that summarize the large body of empirical research on the economic, social, and health consequences of “job displacement”—defined as workers who lose their jobs for reasons unrelated to their performance.<sup>9</sup> Drawing on well-established findings regarding the economic harms of displacement, along with MCG employee data from the Office of Human Resources (OHR), this analysis examines the likely effects of establishing a one-year hiring preference within MCG for recently laid off federal workers residing in the County.

The primary assumption made in this analysis is that the hiring preference policy would likely affect hiring decisions made by MCG managers.

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<sup>4</sup> Montgomery County Code, “[Sec. 33-7. County executive and merit system protection board responsibilities](#)”; and Office of Human Resources, “[Hiring Preferences and More...](#),” Montgomery County Government, accessed on March 21, 2025.

<sup>5</sup> Montgomery County Council, Introduction Staff Report for Expedited Bill 10-25.

<sup>6</sup> Ibid.

<sup>7</sup> “[Sec. 2-81B, Economic Impact Statements](#),” Montgomery County Code.

<sup>8</sup> Impact evaluations are a core tool of evidence-based policymaking that seek to answer cause-and-effect questions regarding the impact of a policy intervention on a specific outcome(s). Paul J. Gertler et al., [Impact Evaluation in Practice, Second Edition](#) (Washington, DC: Inter-American Development Bank and World Bank, 2016); Kirsten Collins, “[What Is Impact Evaluation?](#),” American University Online, April 2, 2015.

<sup>9</sup> Ariel Gelrud Shiro and Kristin Butcher, “[Job Displacement in the United States by Race, Education, and Parental Income](#),” *Brookings Institution*, July 2022.

## VARIABLES

The primary variables that would affect the economic impacts of enacting Expedited Bill 10-25 are the following:

- Number of hired displaced federal employees; and
- Salary differentials between federal and County positions.

## IMPACTS

WORKFORCE ▪ TAXATION POLICY ▪ PROPERTY VALUES ▪ INCOMES ▪ OPERATING COSTS ▪ PRIVATE SECTOR CAPITAL INVESTMENT ▪ ECONOMIC DEVELOPMENT ▪ COMPETITIVENESS

### Residents

OLO anticipates that Expedited Bill 10-25 would have a positive impact on certain residents in the County in terms of the Council's priority economic indicators.

Research on the economic consequences of job displacement has uncovered several well-established findings. First, displaced workers experience large and enduring losses in annual earnings, with losses around 25 percent and lasting up to 20 years.<sup>10</sup> Second, the effects and likelihood of job displacement are unevenly distributed across demographic and socioeconomic groups. Workers who are male, Black, Hispanic, less educated, older, or from low-income backgrounds face a higher risk of displacement and often experience more severe and lasting economic consequences.<sup>11</sup> Additionally, lower-income workers are less protected against earnings losses following displacement compared to their higher-income counterparts.<sup>12</sup>

By implementing a one-year hiring preference within MCG for recently laid-off federal workers residing in the County, the Bill would likely benefit certain local residents. As of January 2025, data from the Office of Human Resources (OHR) show that 46 percent of current MCG employees (4,558 out of 9,941) live outside the County, with considerable variation across departments. This suggests that non-residents have historically made up a significant portion of the MCG applicant pool. If this pattern continues in the near term, the short-term hiring preference would likely provide recently laid-off federal workers who live in the County with a competitive advantage in the hiring process.

Residents hired by MCG as a result of this policy would likely face smaller and shorter-lived earnings losses than they would have without the Bill's enactment. In the short- and long-terms, this would likely stabilize and improve household income for certain beneficiaries.

However, it is important to note that the number of relevant MCG job openings may be insufficient to absorb a meaningful share of recently laid-off federal workers in the County—particularly given the large size of the local federal workforce and the scale of the Trump administration's plans for layoffs.

Beyond this potential impact, OLO does not expect the Bill to affect residents in terms of the Council's other priority indicators.

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<sup>10</sup> Ibid.; Johannes F. Schmieder, Till von Wachter, and Jörg Heining, "[The Costs of Job Displacement over the Business Cycle and Its Sources: Evidence from Germany](#)," *American Economic Review* 113, no. 5 (May 2023): 1208–54.

<sup>11</sup> Shiro and Butcher, "Job Displacement in the United States by Race, Education, and Parental Income."

<sup>12</sup> Ibid.

## Businesses, Non-Profits, Other Private Organizations

OLO anticipates that Expedited Bill 10-25 could have a small beneficial impact on certain private organizations in the County in terms of the Council's priority economic indicators.

Stabilizing and improving household income for certain beneficiaries of the one-year hiring preference for displaced federal workers living in the County could benefit certain local businesses. Research based on comprehensive individual and household spending data shows that a significant portion of consumption is local and that household expenditures decline following income shocks.<sup>13</sup> By helping recently laid-off federal workers transition into County employment, the Bill could mitigate sharp reductions in household spending. In turn, this may help protect local businesses – particularly those dependent on local consumer spending, such as grocery stores, restaurants, and retail establishments<sup>14</sup> – from potential revenue and income losses.

Beyond these potential impacts, OLO does not expect the Bill's impact on household incomes to be substantial enough to affect private organizations in terms of the Council's other priority indicators.

## Net Impact

OLO anticipates that Expedited Bill 10-25 would have a positive impact on economic conditions in the County in terms of the Council's priority economic indicators.

As previously discussed, by establishing a one-year hiring preference within MCG for recently laid off federal workers residing in the County, the Bill would likely increase the chances that County residents are hired for open positions over non-residents. Residents hired through this policy would likely face smaller and shorter-lived earnings losses than they would have without the Bill's enactment. Over both the short- and long-terms, this would likely stabilize and improve household income for certain beneficiaries.

Additionally, by helping recently laid-off federal workers transition into County employment, the Bill could mitigate sharp reductions in household spending. In turn, this may help protect local businesses from potential revenue and income losses.

From a broader economic perspective, the Bill may also reduce capital outflow—defined as the movement of income out of the jurisdiction. Each position filled by a County resident rather than a non-resident helps ensure that taxpayer-funded salaries remain within the County. Moreover, by providing more local employment opportunities, the Bill may reduce the likelihood that displaced federal employees currently living in the County will relocate elsewhere for work, thereby helping to mitigate income outflows associated with the mass layoffs of federal workers.<sup>15</sup>

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<sup>13</sup> Sumit Agarwal, J. Bradford Jensen, and Ferdinando Monte, "[Consumer Mobility and the Local Structure of Consumption Industries](#)" (Cambridge, Mass: National Bureau of Economic Research, 2017); Abe Dunn and Mahsa Gholizadeh, "[The Geography of Consumption and Local Economic Shocks: The Case of the Great Recession](#)," *American Economic Journal: Macroeconomics* 17, no. 2 (April 1, 2025): 206–44; Scott R. Baker and Constantine Yannelis, "[Income Changes and Consumption: Evidence from the 2013 Federal Government Shutdown](#)," *Review of Economic Dynamics* 23 (January 1, 2017): 99–124; Sebastian Devlin-Foltz and John Sabelhaus, "[Heterogeneity in Economic Shocks and Household Spending in the US](#)," *Fiscal Studies* 37, no. 1 (2016): 153–92.

<sup>14</sup> Agarwal, Jensen, and Monte, "Consumer Mobility and the Local Structure of Consumption Industries."

<sup>15</sup> For more on income out-migration from the County, see Stephen Roblin, "[Should I Stay or Should I Go?: Trends in Out-Migration from Montgomery County](#)," Office of Legislative Oversight, October 22, 2024.

## DISCUSSION ITEMS

As Councilmembers introduce and deliberate on MCG employment policies in the future, they may want to consider ways to encourage resident employment due to its economic benefits.

## CAVEATS

Two caveats to the economic analysis performed here should be noted. First, predicting the economic impacts of legislation is a challenging analytical endeavor due to data limitations, the multitude of causes of economic outcomes, economic shocks, uncertainty, and other factors. Second, the analysis performed here is intended to *inform* the legislative process, not 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.

## AUTHOR

Stephen Roblin (OLO) prepared this report.

# Climate Assessment

Office of Legislative Oversight

## EXPEDITED BILL 10-25:

## PERSONNEL AND HUMAN RESOURCES – HIRING DISPLACED FEDERAL WORKERS

### SUMMARY

The Office of Legislative Oversight (OLO) anticipates Expedited Bill 10-25 will have no impact on the County's contribution to addressing climate change as the Bill is proposing a hiring preference within Montgomery County Government for displaced federal workers which would expire after a year if enacted.

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### BACKGROUND AND PURPOSE OF EXPEDITED BILL 10-25

As part of its broad and disruptive efforts to dismantle certain segments of the federal government, the Trump administration has reportedly fired at least 105,961 federal employees.<sup>1</sup> Montgomery County is particularly vulnerable to economic disruptions from the large-scale cuts. The County is home to several major federal agencies, such as the National Institutes of Health and the Food and Drug Administration. As of 2023, approximately 70,000 to 79,000 federal employees, along with thousands of federal contractors, resided in the County.<sup>2</sup>

The purpose of Expedited Bill 10-25 is to establish a temporary hiring preference within Montgomery County Government for recently laid off federal workers residing in the County.<sup>3</sup> The Bill would amend Section 33-7 of the Montgomery County Code to include "displaced federal workers" to the list of preference categories, which currently include veterans with disabilities, veterans, people with disabilities, among others.<sup>4</sup> The term "displaced federal worker" would be defined as "a former federal employee who:

(A) resides in the County;

(B) on or after January 1, 2025, received: (i) a notification from the federal government that the individual's federal position was no longer needed, or that the individual was subject to a federal reduction in force; and (ii) a notification of personnel action from the federal government that separated the individual from federal employment; and

(C) demonstrates a loss of income because of the separation from federal employment."<sup>5</sup>

If enacted, the Bill would sunset one year after it goes into effect.<sup>6</sup>

The Council introduced Expedited Bill 10-25 on March 18, 2025.

## ANTICIPATED IMPACTS

As the Bill is proposing the establishment of a temporary hiring preference within County government for displaced federal workers, OLO anticipates Expedited Bill 10-25 will have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

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## RECOMMENDED AMENDMENTS

The Climate Assessment Act requires OLO to offer recommendations, such as amendments or other measures to mitigate any anticipated negative climate impacts.<sup>7</sup> OLO does not offer recommendations or amendments as Expedited Bill 10-25 is likely to have no impact on the County's contribution to addressing climate change, including the reduction and/or sequestration of greenhouse gas emissions, community resilience, and adaptative capacity.

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## CAVEATS

OLO notes two caveats to this climate assessment. First, predicting the impacts of legislation upon climate change is a challenging analytical endeavor due to data limitations, uncertainty, and the broad, global nature of climate change. Second, the analysis performed here is intended to inform the legislative process, not 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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## PURPOSE OF CLIMATE ASSESSMENTS

The purpose of the Climate Assessments is to evaluate the anticipated impact of legislation on the County's contribution to addressing climate change. These climate assessments will provide the Council with a more thorough understanding of the potential climate impacts and implications of proposed legislation, at the County level. The scope of the Climate Assessments is limited to the County's contribution to addressing climate change, specifically upon the County's contribution to greenhouse gas emissions and how actions suggested by legislation could help improve the County's adaptative capacity to climate change, and therefore, increase community resilience.

While co-benefits such as health and cost savings may be discussed, the focus is on how proposed County bills may impact GHG emissions and community resilience.

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## CONTRIBUTIONS

OLO staffer Kaitlyn Simmons drafted this assessment.

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<sup>1</sup> ["Tracking Trump's overhaul of the federal workforce,"](#) CNN, last updated on March 19, 2025.

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- <sup>2</sup> American Community Survey, [K202402: Class of Worker for the Civilian Employed Population 16 Years and Over](#), U.S. Census Bureau, 2023. [Major Employers in Montgomery County, Maryland](#), Maryland Department of Commerce, accessed March 21, 2025.
- <sup>3</sup> Montgomery County Council, [Introduction Staff Report for Expedited Bill 10-25, Personnel and Human Resources – Hiring Displaced Federal Workers](#), March 18, 2021.
- <sup>4</sup> Montgomery County Code, "[Sec. 33-7. County executive and merit system protection board responsibilities](#)"; and Office of Human Resources, "[Hiring Preferences and More...](#)," Montgomery County Government, accessed on March 21, 2025.
- <sup>5</sup> Montgomery County Council, Introduction Staff Report for Expedited Bill 10-25.
- <sup>6</sup> Ibid.
- <sup>7</sup> Bill 3-22, Legislative Branch – Climate Assessments – Required, Montgomery County Council, Effective date October 24, 2022

Council Vice-President Jawando's proposed amendments are reflected in tracked changes.

Expedited Bill No. 10-25  
Concerning: Personnel and Human  
Resources – Hiring Displaced  
Federal Workers  
Revised: 3/12/2025 Draft No. 1  
Introduced: March 18, 2025  
Expires: December 7, 2026  
Enacted: \_\_\_\_\_  
Executive: \_\_\_\_\_  
Effective: \_\_\_\_\_  
Sunset Date: None  
Ch. \_\_\_\_\_, Laws of Mont. Co. \_\_\_\_\_

## COUNTY COUNCIL FOR MONTGOMERY COUNTY, MARYLAND

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Lead Sponsor: Council Vice-President Jawando  
Co-Sponsor: Councilmembers Friedson, Mink, Sayles, and Balcombe, and Council President  
Stewart

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### AN EXPEDITED ACT to:

- (1) establish a preference in County hiring for displaced federal workers; and
- (2) generally amend the law concerning personnel and human resources.

By amending

Chapter 33, Personnel and Human Resources  
Section 33-7

<b>Boldface</b>	<i>Heading or defined term.</i>
<u>Underlining</u>	<i>Added to existing law by original bill.</i>
[Single boldface brackets]	<i>Deleted from existing law by original bill.</i>
<u>Double underlining</u>	<i>Added by amendment.</i>
[[Double boldface brackets]]	<i>Deleted from existing law or the bill by amendment.</i>
* * *	<i>Existing law unaffected by bill.</i>

*The County Council for Montgomery County, Maryland approves the following Act:*



1       **Sec. 1. Section 33-7 is amended as follows:**

2       **33-7. County executive and merit system protection board responsibilities.**

3                               \*     \*     \*

4       (d) *Hiring persons with disabilities.*

5                               \*     \*     \*

6               (3) Competitive appointment.

7               (A) Except as provided in Subsection (e), the regulation must  
8               establish and maintain a preference under the following  
9               order of preference:

10              (i) an employee who is unable to perform the  
11              employee's job because of a disability or injury  
12              under the ADA;

13              (ii) an employee subject to reduction-in-force;

14              (iii) an employee who was granted a temporary  
15              disability retirement under the Employees  
16              Retirement System or an initial or temporary  
17              disability benefit of any type under the Retirement  
18              Savings Plan or the Guaranteed Retirement Income  
19              Plan but is no longer eligible for such a temporary  
20              disability retirement or benefit;

21              (iv) a veteran with a disability; and

22              (v) an equal preference for a veteran without a disability  
23              ~~and~~ a non- veteran with a disability; ~~and a~~  
24              ~~displaced federal worker under Subsection (k); and~~

25              (vi) a displaced federal worker under Subsection (k).

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(B) This regulation must only apply the preference in Subparagraphs (A)(iv) and (A)(v) for the initial appointment of a qualified person to a merit system position who is among the highest rating category in a normal competitive process.

\* \* \*

(e) *Hiring Veterans for Uniformed Public Safety Positions.*

\* \* \*

(k) Hiring displaced federal workers.

(1) Findings.

(A) Federal workers are experiencing job uncertainty and high unemployment due to federal downsizing and other federal personnel actions unrelated to individual qualifications and merit.

(B) The skills and experiences of individuals who have served as federal employees are valuable assets for serving in County government.

(2) For purposes of this Section, the term *displaced federal worker* means a former federal employee who:

(A) resides in the County; and

(B) on or after January 1, 2025, received:

(i) notification of personnel action from the federal government that separated the individual from federal employment; and

(ii) a notification from the federal government that the reason for separation is that individual's federal

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position ~~wais~~ no longer needed, or that the individual ~~wais~~ subject to a federal reduction in force; ~~and~~

~~(ii) a notification of personnel action from the federal government that separated the individual from federal employment; and~~

~~(C) demonstrates a loss of income because of the separation from federal employment.~~

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(3) The term *displaced federal worker* does not include:

(A) an individual subject to downgrade or reassignment; ~~or~~

(B) an individual eligible to receive a higher preference under Subsections (d)(3)(A) ~~(iv)~~ or (e); or

~~(C) an individual separated from federal employment for a reason other than those stated in subsection (k)(2)(B)(ii).~~

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(4) The Executive must establish by personnel regulation, under Method (1), standards for the:

(A) application and documentation requirements to qualify as a displaced federal worker; and

(B) rating and eligibility for inclusion of a displaced federal worker among the highest rating category for a merit system position in a normal competitive process administration of the hiring preference for displaced federal workers; and

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(C) implementation of this subsection (k).

76        **Sec. 2. Effective Date.** The Council declares that this legislation is necessary  
77 for the immediate protection of the public interest. This Act takes effect on the date  
78 on which it becomes law.

79        **Sec. 3. Regulations.** The Executive must submit to the Council Method (1)  
80 regulations under this Act no later than 60 days after the effective date of this Act.  
81 The preference established under this Act must be administered immediately upon  
82 the adoption of the Method (1) regulations.

83        **Sec. 4. Coordination with Employee Organization.** The Council intends  
84 that the Executive and applicable employee organization immediately address and  
85 resolve any wage compression that may be caused by hiring a displaced federal  
86 worker above the entry level salary for the position.

87        **Sec. 5. Sunset.** This Act must sunset and must have no further force and  
88 effect on ~~the date that occurs one year after the effective date of the Act July 2, 2027.~~