

PRINCE GEORGE'S COUNCIL

Budget & Policy Analysis Division

April 30, 2025

FISCAL AND POLICY NOTE

TO: Jennifer A. Jenkins

Council Administrator

Colette R. Gresham, Esq. Deputy Council Administrator

THRU: Josh Hamlin

Director of Budget and Policy Analysis

FROM: David Williams

Legislative Budget and Policy Analyst

RE: Policy Analysis and Fiscal Impact Statement

CB-024-2025 Federal Worker Emergency Assistance Act

CB-024-2025 (*Proposed by:* Council Members Blegay and Oriadha)

Assigned to the Government, Operations, and Fiscal Policy (GOFP) Committee

AN ACT CONCERNING THE FEDERAL WORKER EMERGENCY ASSISTANCE ACT for the purpose of establishing emergency financial assistance, job placement support, and essential services for laid-off federal workers residing in Prince George's County, ensuring stability and access to critical resources during periods of economic hardship.

Fiscal Summary

Direct Impact

Expenditures: Additional expenditures required – potentially significant.

Revenues: No anticipated revenue impact.

Indirect Impact

Likely mixed indirect impacts.

Legislative Summary:

CB-024-2025¹, proposed and sponsored by Council Members Blegay and Oriadha, was presented on March 25, 2025, and referred to the Government, Operations, and Fiscal Policy (GOFP) Committee. This bill establishes the federal worker assistance fund to disburse one-time payments, the federal worker job recovery initiative, temporary tax and penalty relief, and a food assistance program. The chief administrative agency to implement this program shall be designated by the County Executive.

Background/Current Law:

In the first two months of 2025, approximately 62,530 federal workers were laid off as part of the current administration's efforts to reduce the federal civilian workforce.² As of March 2025, at least 121,000 federal workers have been laid off or targeted for layoffs with the number anticipated to be higher in the coming months.³ The federal government represents the largest single employer in the state of Maryland, with over 65,000 employees residing within Prince George's County, accounting for 17% of the county's total workforce.⁴ In order to mitigate the potential economic harms that may come of substantial reductions in the federal workforce, the Maryland General Assembly has sent HB 1424 to the Governor's desk.⁵ This bill would create a no-interest loan fund for former federal employees who have been subject to layoff. Neighboring jurisdictions, such as Montgomery County, have proposed bills to assist federal workers. Bill 10-25 would establish a preference for hiring displaced federal workers for vacancies within the Montgomery County government.⁶ Given the unprecedented nature of this substantial workforce reduction, neighboring municipalities are marshalling resources to quell regional economic uncertainty.

Anne Arundel County

Anne Arundel County offers a full guide to an array of services such as unemployment insurance, housing and food assistance, as well as mental health support.⁷

¹ CB-024-2025

² Newsweek- Federal workforce tracker

³ CNN- Federal workforce analysis

⁴ Washington Post- Federal workforce reduction

⁵ Maryland State Assembly- HB 1424

⁶ Montgomery County- Bill 10-25

⁷ AACounty- Federal worker relief

Baltimore County

Baltimore County offers career transition services in addition to virtual workshops, childcare resources, and GIS maps of food pantry locations.⁸

Calvert County

Calvert County offers workers a resource list of all available assistance in the region including childcare, transportation, food, housing, and mental health support. Additionally, the County includes a survey for users to complete to better inform decision makers on the externalities of this workforce transition.⁹

Charles County

Charles County offers all of the aforementioned resources with special resources for those immediately at risk of homelessness and for those in search of entrepreneurship support in the form of counseling potential start-up capital.¹⁰

Arlington, Virginia

The City of Arlington offers a job board system with a direct link to file unemployment claims and soft skill enhancement training for new job seekers such as resume, cover letter, and interview assistance combined with virtual guides and webinars.¹¹

One of the chief priorities for other jurisdictions is preferential hiring for displaced federal employees. Federal actions have resulted in a labor supply glut for the region and many agencies will look to solve lingering vacancy issues. This bill would be the first bill in Prince George's County dedicated to former federal employees' economic relief.

Resource Personnel:

• Ayana Crawford, Deputy Chief of Staff, Council District 6

Discussion/Policy Analysis:

This bill adds Sections 10-360 through 10-371 under Subtitle 10. Finance and Taxation. Division 35. Subdivision 1. Eligibility for the program is defined as any federal worker who is a Prince George's County resident employed by the federal government that has had their employment

⁸ Baltimore County- <u>Recent federal actions</u>

⁹ Calvert County- Resources for federal workers

¹⁰ Charles County- <u>Government transition resources</u>

¹¹ Arlington- Assistance for federal workers

involuntarily terminated, furloughed, or had their employment contract suspended without pay, due to the acts of President Trump's administration.

There are four key programmatic components of the Bill, described below.

1) Financial Assistance

The Bill establishes the *Federal Worker Emergency Assistance Fund* to provide one-time payments of up to \$1,000 for assistance with rent, utilities, mortgages, and groceries. Total cash payments are not to exceed \$1,000.

2) Employment and Job Training Assistance

This bill also creates the *Federal Worker Job Recovery Initiative*, which prioritizes displaced federal workers in the County hiring process, provides tax credits to local businesses that hire laid-off federal workers, and offers free workforce and career training at Prince George's County Community College.

3) Real Property Tax and Utility Relief

This bill would allow qualified applicants to defer property tax payments and all associated fees and penalties for up to six months following layoff. There is no additional "utility relief" added to this bill under Section 10-367.

4) Food Assistance

This Bill establishes the "Federal Worker Food Assistance Program" which expands food banks and creates a voucher program in partnership with local grocery stores.

Administration

This Bill will likely require a sizeable commitment of resources for effective service delivery. The provisions of this Bill call for a multi-agency effort to facilitate all of the services prescribed. Prince George's County Community College will require staffing and operational space to provide training and career support for federal workers. Employ Prince George's will also need administrative and financial support to administer the "Federal Worker Job Initiative". The agency that is selected by the County Executive will also have substantial responsibility for oversight of the entire federal assistance program, this will require additional appropriations for staffing and administrative costs. The Bill mandates annual reporting requirements for the County Executive detailing the number of workers assisted, effectiveness of job placement, and relief programs, recommendations for program improvements.

Fiscal Impact:

• Direct Impact

Enactment of CB-024-2025 will have a direct adverse fiscal impact on the County. Given the sizeable contingent of federal workers that will be affected in the County. Here are some cost estimates relating to the anticipated percentage of County federal workers that qualify and successfully enroll in the program:

1%- (650 qualified applicants) \$650,000 5%- (3,250 qualified applicants) \$3,250,000 10%- (6,500 qualified applicants) \$6,500,000 15%- (9,750 qualified applicants) \$9,750,000 20%- (13,000 qualified applicants) 313,000,000 25%- (16,250 qualified applicants) \$16,250,000

These cost estimates assume that all qualified applicants will receive the total maximum cash allotment from the federal assistance program (\$1,000) and cover the span of one fiscal year. There will be additional costs per applicant if they decide to enroll in other services such as food assistance, career training, and property tax deferment. This program will require multiple agencies to participate, and each will have their own unique staffing and financial needs. The voucher program outlined under Section 10-368 will likely dictate add to the County's expenditures to establish a database, fund source, and staffing allocation for the agency assigned to implement the program. The deferment of property tax payments and any additional utility relief will have an adverse impact on County receipts in the form of foregone property taxes. It is difficult to make precise cost estimates due to the lack of programmatic specificity. Section 10-370 of the bill states that funded will be procured from a variety of sources making a precise estimate of the County's total expected fiscal exposure challenging. All of the agencies involved in the administration of this program will require their own staffing complement and direct financial appropriations to successfully implement the Bill as written.

This Bill does not prescribe detailed parameters for the local hiring-business tax credit incentive, workforce training program, food bank expansion/voucher system, property tax credit deferment, or total program administration. It is important to note that even with the passage of this Bill additional County action will need to be taken in order to establish comprehensive frameworks for all services and programs prescribed therein, and those actions will have associated costs separate and apart from this Bill. This Bill alone does not lead to the full creation of all programs and services that are included, beyond the direct financial assistance.

• Indirect Impact

Enactment of CB-024-2025 may have a positive indirect impact by preventing the geographical displacement of former federal employees and ameliorating some of the county's vacancy issues by attracting some new job seekers into the market. This program may also reduce the number of foreclosures thereby stabilizing the County's property tax base.

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• Appropriated during the Current Fiscal Year Budget:

No.

Effective Date:

CB-024-2025 shall be effective (45) calendar days after it becomes law and includes a sunset provision set for three years following enactment.

If you require additional information or have questions about this fiscal impact statement, please email me.