



Aisha N. Braveboy  
County Executive

# PRINCE GEORGE'S COUNTY GOVERNMENT

## OFFICE OF MANAGEMENT AND BUDGET



Prince George's County Council  
Wayne K. Curry County Administration Building  
1301 McCormick Drive  
Largo, Maryland 20774

### Fiscal Impact Statement for CB-005-2025

Title: AN ACT CONCERNING MINIMUM WAGE INDEXING  
 CEX Proposed: No  
 Date introduced: 10/7/2025  
 Summary: For the purpose of indexing Prince George's County's minimum wage to the Consumer Price Index and addressing the adverse impact on Direct Support Professionals.

Estimates <sup>1</sup>	FY 2027	FY 2028	FY 2029	FY 2030
Total Change in Expenditures <sup>2</sup>	Unknown, but likely to increase			
Total Change in Revenues <sup>2</sup>	0	0	0	0
Positions Required <sup>3</sup>	0	0	0	0
Compensation & Fringe <sup>4</sup>	0	0	0	0
Operating Expenses <sup>5</sup>	Unknown, but likely to increase			
Total Impact <sup>6</sup>	Unknown, but likely to increase			

#### <sup>1</sup>Sources of information, assumptions, and methodologies used

The Office of Management and Budget reviewed:

- the language of the legislation being proposed
- the Fiscal and Policy Note prepared by the Council's Budget & Policy Analysis Division on February 26<sup>th</sup>, 2025
- recent annual budgeted amounts for the local wage supplement for Direct Support Professionals
- recent invoices from the Prince George's Development Council



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### **<sup>2</sup>Estimate of changes in County revenues and expenditures regardless of whether the revenues or expenditures are assumed in a recommended or approved budget**

The last three (3) fiscal years' budgets have included \$4,585,000 in general funds in the County's Non-Departmental budget for the local wage supplement for Direct Support Professionals. Spending is more likely than not to increase under this resolution, but the amount is indeterminate.

### **<sup>3</sup>An estimate of additional staff and resources needed to implement the legislation**

N/A

### **<sup>4</sup>Analysis of the full personnel cost of the legislation**

N/A

### **<sup>5</sup>An explanation of revenue or expenditures that are uncertain or difficult to project**

Because the Resolution tethers future increases to inflation and additional variables based on a formula, it is difficult to project whether this Resolution will result in an additional fiscal impact beyond the current budget estimates in a given fiscal year, however it is more likely than not to require additional spending.

The Fiscal and Policy Note prepared on February 26<sup>th</sup>, 2025 by the Council's Budget & Policy Analysis Division provided a useful illustration of the formula for estimating fiscal impact:

“Subsections (1) and (2) of Sec. 13A-117(i) combine to make the annual operating budget amount and can be calculated using the formula below:

$$\text{Wage Supplement Increase} = ((\text{Percentage Increase in Minimum Wage} - \text{Percentage Increase in State DSP Reimbursement Rate}) - \text{Adjustment Due to Revenue Constraints}) \times \text{Prior Year's Total Wages and Employee-Related Expenses}$$

For Example, if the Percentage Increase in Minimum Wage is 4%, the State DSP Reimbursement Rate Increase Rate is 2%, and the Total DSP Wages and Employee-Related Expenses from Last Year are \$6,500,000 with a 0% revenue constraint, this can be calculated as  $((4\% - 2\%) - 0\%) \times \$6,500,000$ . The Wage supplement increase would then be  $2\% \times \$6,500,000 = \$130,000$ .”

Spending is more likely than not to increase, but the amount is indeterminate.

### **<sup>6</sup>If the legislation is likely to have no fiscal impact, why that is the case**

N/A