

# 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.

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### 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.