

Economic Impact Statement

Montgomery County, Maryland

Expedited Bill 29-24

Transportation – Parking Permit for Specialized Service Providers – Established

SUMMARY

The Office of Legislative Oversight (OLO) anticipates that Expedited Bill 29-24 would have a positive impact on economic conditions in the County in terms of the Council's priority economic indicators. By reducing parking costs for certain employees of non-profit organizations offering homelessness services, licensed childcare providers, and the Department of Health and Human Services (DHHS) in the Silver Spring Central Business District (CBD), the Bill would reduce work-related transportation costs for certain residents, which could increase household income. Also, the policy may prevent certain employees from leaving their position, thereby reducing costs associated with temporary unemployment. The Bill would also economically benefit certain non-profit organizations in the affected area. Organizations that reimburse employees for parking may experience reduced operating expenses, which could increase business income. Additionally, the organizations may benefit from more stable workforces, such as reduced costs from hiring.

BACKGROUND AND PURPOSE OF EXPEDITED BILL 29-24

Montgomery County operates three Parking Lot Districts (PLDs) in Bethesda, Silver Spring, and Wheaton to provide shared public parking facilities and reduce costs and land use for parking. Managed by the Montgomery County Department of Transportation (MCDOT), these districts include parking garages and lots and are funded primarily by parking fees and fines set by the Council.¹

The purpose of Bill 29-24, according to its sponsor, is to “create a new monthly parking permit for unhoused service providers and childcare providers” in the Silver Spring CBD.^{2,3} The Bill would make “specialized service providers” eligible for a discounted parking permit in any garage located in the Silver Spring parking lot. The rate would be five percent of the monthly permit rate. Eligible providers would include non-profit organizations offering homelessness services, licensed childcare providers, and full-time employees of DHHS.⁴

The policy would expire “after 7 years (December 31, 2032), or 5 years after the Maryland Transit Administration opens the Purple Line for revenue service, whichever is first.”⁵

¹ Ludeen McCartney-Green and Stephen Kenny, "Expedited Bill 29-24, Transportation – Parking Permit for Specialized Service Providers – Established," memorandum to the County Council, December 5, 2024, in the [Introduction Staff Report](#).

² Kate Stewart, "Fact Sheet: Specialized Services Providers Parking Permit – Expedited Bill 29-24," Montgomery County Council, December 5, 2024, in the [Introduction Staff Report](#).

³ A map of the Silver Spring CBD is enclosed in the [Introduction Staff Report](#).

⁴ Montgomery County Council, "Expedited Bill 29-24, Transportation – Parking Permit for Specialized Service Providers – Established," December 10, 2024, in the [Introduction Staff Report](#).

⁵ Ibid.

The Council introduced Expedited Bill 29-24 on December 10, 2024.

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 29-24 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.⁶

To evaluate the Bill's economic impacts, this analysis performs a cost analysis of the savings from the discounted parking. To do so, OLO draws on:

- parking cost figures in the introduction staff report;
- wage data for workers in homeless and childcare services; and
- Census data on residence of workers in the West Silver Spring area, which encompasses the affected organizations.

VARIABLES

The primary variables that would affect the economic impacts of enacting Expedited Bill 29-24 are the following:

- Number of specialized service providers;
- Number of eligible employees; and
- Parking reimbursement

IMPACTS

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

Residents

OLO anticipates that Expedited Bill 29-24 would have a positive impact on certain residents in the County in terms of the Council's priority economic indicators.

The Bill would primarily affect certain employees of non-profit organizations offering homelessness services, licensed childcare providers, and DHHS.

Table 1 presents data from Quarterly Census of Employment and Wages (QCEW) by the U.S. Bureau of Labor of Statistics on wages for workers in homeless services, childcare services, and all industries in Montgomery County for the second quarter of 2024. The table highlights those workers in homeless services and, especially, childcare services earned significantly less than the Countywide average. Homeless services workers earned an annual average of \$60,788, which was \$22,880 below the County average, while childcare services workers earned \$37,284 annually, a difference of \$46,384 compared to the average across all industries.

⁶ ["Sec. 2-81B, Economic Impact Statements,"](#) Montgomery County Code..

Table 1. Wage Comparison for Workers in Homeless, Childcare Services, and All Industries in Montgomery County (2024 Second Quarter)⁷

Industry	Average Weekly Earnings	Difference From All Industries	Average Yealy Earnings	Difference From All Industries
NAICS 6242 Community food and housing, and emergency and other relief services (homeless services)	\$1,169	-\$440	\$60,788	-\$22,880
NAICS 6244 Childcare services	\$717	-\$892	\$37,284	-\$46,384
All Industries	\$1,609		\$83,668	

The sponsor of the Bill has identified at least eight qualifying organizations (excluding DHHS). Each qualifying organization would receive up to 25 permits per year.

The current monthly rate for a single parking permit in the Silver Spring PLD is \$132.⁸ For employees who pay for parking out-of-pocket and receive the discount, they would each pay \$6.60 per month, saving \$125.40 a month and \$1,504.80 annually in work-related transportation costs, as shown in **Table 2**. Lower transportation costs would reduce nondiscretionary household expenses, thereby increasing household income, holding all else equal. Also, studies have shown that pay increases for childcare workers reduce turnover.⁹ If the Bill prevents certain employees from leaving their position, it could reduce costs associated with temporary unemployment,

Table 2. Savings from Discounted Parking Permit

Category	Monthly Cost	Subsidized Cost	Monthly Savings	Annual Savings
<i>Per Employee</i>	\$132.00	\$6.60	\$125.40	\$1,504.80
<i>Per Organization (25 Permits)</i>	\$3,300.00	\$165.00	\$3,135.00	\$37,620.00
<i>Total (8 Organizations)</i>	\$26,400.00	\$1,320.00	\$25,080.00	\$300,960.00

⁷ U.S. Bureau of Labor Statistics, *Quarterly Census of Employment and Wages: Employment and Wages Data Viewer*, "[Private, NAICS 4-Digit Industries, Montgomery County, Maryland, 2024 Second Quarter, All Establishment Sizes](#)," and "[Private, High-Level Industries, Montgomery County, Maryland, 2024 Second Quarter, All Establishment Sizes](#)," accessed January 17, 2025.

⁸ Stewart, "Fact Sheet," in the [Introduction Staff Report](#).

⁹ Daphna Bassok et al., "[Reducing Teacher Turnover in Early Childhood Settings: Findings From Virginia's PDG B-5 Recognition Program](#)" (University of Virginia, 2020).

Although OLO does not have data on the County residence of employees from the impacted organizations, it is likely many reside locally. **Figure 1** uses data from the Census Bureau’s American Community Survey (ACS) for 2019 to 2023 to estimate the percentage of individuals (aged 16 and older) who work in the West Silver Spring area and live in the County.¹¹ Since this area contains the Silver Spring CBD, the estimates provide a basis for projecting the portion of parking discount savings from that benefit County residents employed by the affected organizations.

As shown in the **Figure 1**, depending on the sex of workers, the percentage of workers residing in the County range from 55.0 to 61.2 percent. **Table 2** presents estimates of monthly and annual savings to County residents under the assumption that the organizations do not offer parking reimbursements. Across the eight impacted organizations, an estimated 110 to 123 residents may benefit from the discount, resulting in monthly savings of \$13,794 to \$15,424 and annual savings of \$165,529 to \$185,090. If certain organizations provide parking reimbursements, the savings for residents would be lower.

Figure 1. Percentage of Workers Aged 16 and Older Employed Within the County of Residence¹⁰

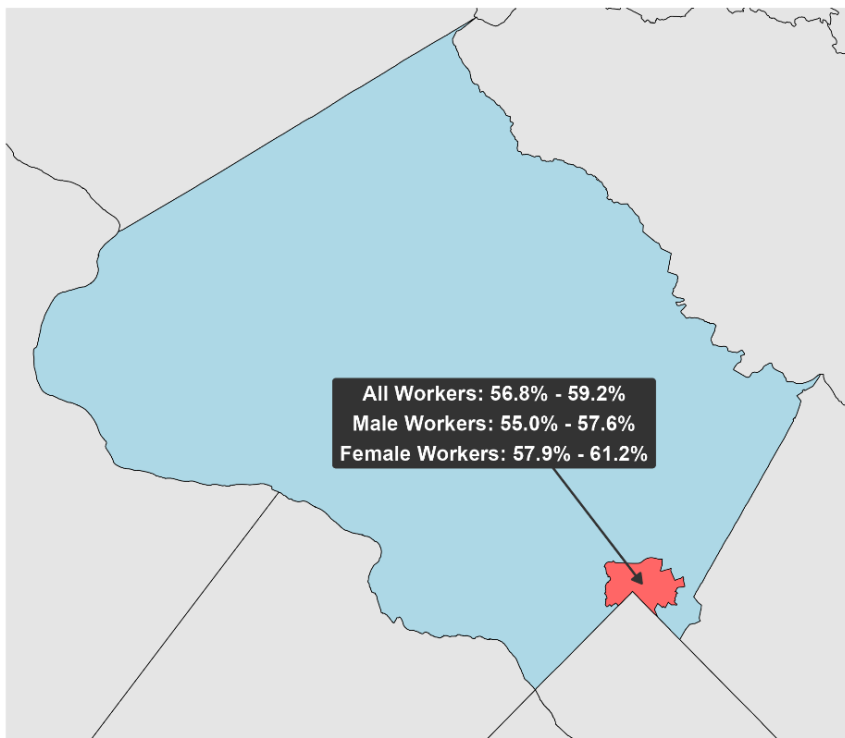


Table 2. Estimated Savings from Discounted Parking Permit for Residents

Employees	Residents	Monthly Savings	Annual Savings
Per Organization: 25 employees	14 – 16	\$1,756 – \$2,006	\$21,067 – \$24,077
Total: 200 employees	110 – 123	\$13,794 – \$15,424	\$165,528 – \$185,090

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

¹⁰ U.S. Census Bureau, *American Community Survey, 5-Year Estimates (2023)*, Table B08007, "[Sex of Workers by Place of Work--State and County Level](#)," accessed January 3, 2025. For details on how the Census measures an individual’s place-of-work, see “Journey to Work” section in “[American Community Survey and Puerto Rico Community Survey 2022 Subject Definitions](#)” (U.S. Census Bureau, 2022); and questions 30 and 31 in the “[2024 American Community Survey Questionnaire](#)” (U.S. Census Bureau).

¹¹ For the boundaries of West Silver Spring, see Montgomery County Government, “[Silver Spring Community Analytics 5.0](#),” accessed January 16, 2025.

Businesses, Non-Profits, Other Private Organizations

OLO anticipates that Expedited Bill 29-24 would have a positive impact on certain private organizations in the County with respect to the Council's priority economic indicators.

Certain qualifying organizations may offer their employees parking reimbursement. For these organizations, they would pay up to \$165 per month for 25 parking permits, saving a maximum of \$3,135 a month and \$37,620 annually in operating expenses. Organizations that offer partial parking reimbursement to employees would save less. Reduced operating expenses would increase business income, holding all else equal.

Additionally, the Bill has the potential to reduce turnover in the affected organizations. If this occurs, the organizations would benefit from more stable workforces, such as reduced costs from hiring.

Beyond these potential impacts, OLO does not expect the Bill to affect private organizations in terms of the Council's other priority indicators.

Net Impact

OLO anticipates that Expedited Bill 29-24 would have a positive impact on economic conditions in the County in terms of the Council's priority economic indicators. By reducing parking costs for certain employees of non-profit organizations offering homelessness services, licensed childcare providers, and DHHS in the Silver Spring CBD, the Bill would reduce work-related transportation costs for certain residents, which could increase household income. Also, the policy may prevent certain employees from leaving their position, thereby reducing costs associated with temporary unemployment. The Bill would also economically benefit certain non-profit organizations in the affected area. Organizations that reimburse employees for parking may experience reduced operating expenses, which could increase business income. Additionally, the organizations may benefit from more stable workforces, such as reduced costs from hiring.

DISCUSSION ITEMS

Not applicable

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.

APPENDIX

Methodological Detail for ACS Data

The ACS is an annual, nationwide survey with a representative sample of around 3.5 million households in the U.S.¹² The ACS attains a representative sample by selecting a random sample of household addresses to survey. This method, in addition to making statistical adjustments to address sample imbalances,¹³ provide confidence that the ACS sample data produces estimates that accurately reflect a broad range of demographic, housing, social, and other characteristics of larger populations.¹⁴ ACS data is available at the federal, state, County, and sub-County levels.

For each variable, the dataset includes a point estimate and margin of error. A **point estimate**, or **estimate**, is an approximate value of a population characteristic that is attained from a sample. **Margin of error** is a measure of the precision or variability of an estimate.¹⁵ It indicates how far an estimate attained from a sample differs from the *real* population value. In other words, the margin of error can provide “a range of values within which the actual, ‘real-world’ value is likely to fall.”¹⁶ The Census includes margin of errors in the ACS sample data for users to measure the imprecision around its estimates. As stated in an ACS users guide for researchers, “[b]ecause the ACS is based on a sample, rather than all housing units and people, ACS estimates have a degree of uncertainty associated with them, called sampling error.”¹⁷

This analysis uses 5-year ACS data at the Census tract level for Montgomery County, covering the 2019–2024 period, the most current estimates available. Compared to 1-year estimates, 5-year estimates are based on larger samples and have lower margins of error, resulting in greater statistical reliability and precision. This increased precision is especially valuable for analyzing data in smaller geographic areas.¹⁸

OLO uses the estimates and margin of error provided in the ACS data to calculate **range of values**, or **range**, for each place-of-work variable.¹⁹ Margins of error in the ACS are calculated at the 90 percent confidence level. Accordingly, a range for a given estimate indicates that we can be 90 percent confident the true population value falls within this range.

¹² “[Understanding and Using American Community Survey Data: What All Data Users Need to Know](#)” (U.S. Census Bureau, September 2020).

¹³ ACS uses weighting to address imbalances in the sample. For more on weighting, see Andrew Mercer Kennedy Arnold Lau and Courtney, “[1. How Different Weighting Methods Work](#),” *Pew Research Center* (blog), January 26, 2018.

¹⁴ “Understanding and Using American Community Survey Data: What All Data Users Need to Know”; “[Understanding and Using American Community Survey Data: What Researchers Need to Know](#)” (U.S. Census Bureau, March 2020).

¹⁵ Sirius Fuller, “[Using American Community Survey Estimates and Margins of Error](#).”

¹⁶ “Understanding and Using American Community Survey Data,” March 2020.

¹⁷ Ibid.

¹⁸ “Understanding and Using American Community Survey Data,” March 2020.

¹⁹ This is the same as “confidence intervals.” I use the term, “range,” to help minimize statistical jargon.