

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 142 (Senator Ellis)
Education, Health, and Environmental Affairs
and Budget and Taxation

Legal Holiday - Maryland Emancipation Day - Establishment

This bill establishes Maryland Emancipation Day as a State legal holiday on November 1; accordingly, it is also established as a public school holiday, a bank holiday, and a State employee holiday on November 1.

Fiscal Summary

State Effect: Expenditures (all funds) increase significantly, likely by several million dollars, beginning in FY 2022 due to overtime expenses related to providing employees with an additional State employee holiday. Potential minimal increase in public work contract expenditures due to prevailing wage overtime requirements for legal holidays.

Local Effect: Local annual expenditures for operating public schools are not materially affected. Revenues are not affected. The bill does not directly affect local operations, as local governments are not required to grant leave to their employees as a result of the bill. Potential minimal increase in public work expenditures due to prevailing wage overtime requirements for legal holidays.

Small Business Effect: Minimal.

Analysis

Current Law: Maryland Emancipation Day is a commemorative day in the State. The Governor must annually proclaim November 1 as Maryland Emancipation Day in recognition of the emancipation of slaves in the State.

The State of Maryland recognizes 11 bank holidays, 16 legal holidays and 12 State employee holidays, as identified in **Exhibit 1**.

Exhibit 1
Holidays in the State

	<u>School Holiday</u>	<u>Bank Holiday</u>	<u>Legal Holiday</u>	<u>State Employee Holiday</u>
New Year's Day	X	X	X	X
Dr. Martin Luther King, Jr.'s Birthday	X	X	X	X
February 12 for Lincoln's Birthday			X	
Washington's Birthday*	X	X	X	X
March 25 for Maryland Day			X	
Good Friday	X	X	X	
Easter Monday	X			
Memorial Day	X	X	X	X
Independence Day		X	X	X
Labor Day		X	X	X
September 12 for Defenders' Day			X	
Columbus Day		X	X	X
General Election Days	X		X	X
Veterans' Day		X	X	X
Thanksgiving Day	X	X	X	X
Day After Thanksgiving Day**	X		X	X
Christmas Day	X	X	X	X

*Also known as Presidents' Day, celebrated on the third Monday of February.

**Also known as American Indian Heritage Day.

Note: Christmas Eve through New Year's Day are public school holidays, along with primary election days.

Source: Department of Legislative Services

In general, a State employee who is required to work on an employee holiday receives compensatory time for that work. An employee not scheduled to work on an employee holiday, but otherwise required to work on that day, is eligible for compensation at the regular hourly rate of pay plus time and one-half pay for the number of holiday hours worked, provided that the employee is eligible to receive cash overtime (*i.e.*, an employee

in a 24-hour facility called to report on an employee holiday may be entitled to regular compensation plus overtime pay).

Public Schools

Public schools must be open for at least 180 days and 1,080 school hours at elementary and middle schools and 1,170 hours at high schools during a 10-month period. However, a local board of education may apply to the State Board of Education for a waiver from these provisions of State law; the application must describe a demonstrated effort by the local board to comply with State law and that the school system calendar included from 3 to 10 days to be used to make up days lost. In response, the State board may allow:

- increases or decreases in the length of the school year;
- exceptions from the 10-month period requirement;
- adjustments in the length of the school day; and
- schools to be open on holidays.

These adjustments may be granted only if normal school attendance is prevented because of natural disaster, civil disaster, or severe weather conditions. After any school system closure, the local school system must notify the State board, within 10 days of reopening, of its plan to make up the missed school days, including the dates of the make-up days.

Chapter 13 of 2019 requires each local board of education to set start and end dates each year for public schools in the county, effectively repealing any law prohibiting a local board from beginning or ending its school year before or after a certain date.

The State has designated several days as public school holidays, as shown in Exhibit 1. If the federal and State observances of a holiday are on different days, the board of education of each county must determine the date of observance for that holiday.

Bank Holidays

Banking institutions generally must be closed on specified legal holidays as shown in Exhibit 1. When a legal holiday differs from the corresponding federal holiday, a banking institution may be closed on both holidays and must be closed on one of the holidays. If there is no corresponding federal holiday for the bank holidays, a banking institution can remain open if it so chooses. Additionally, a bank may be closed on optional bank holidays.

Legal Holidays

Except as otherwise provided in the Code of Maryland Regulations, a legal holiday must be observed on its specified date or if that date falls on a Sunday, on the next Monday after that date.

State Expenditures: Increasing the number of paid State employee holidays observed in any given year generally does not directly affect State expenditures for most State agencies, since regular employee salaries are already budgeted. For agencies whose employees must work on a holiday, however, there could be a significant fiscal impact.

It is unknown how many State employees will be required to work on this holiday; however, agencies with 24/7 operations likely experience significant overtime costs. The Department of Budget and Management estimates the bill increases expenditures (all funds) by at least \$1.9 million annually beginning in fiscal 2022 for overtime costs for the Department of Public Safety and Correctional Services, the Department of Juvenile Services, the Maryland Department of Health, the Department of State Police, and the Department of Natural Resources.

The Maryland Department of Transportation (MDOT) establishes employee holidays through regulation instead of by statute. To the extent that MDOT provides the paid holiday to employees, overtime costs increase further.

In addition to providing overtime pay, there would be an impact resulting from a loss of productivity for giving employees a day off.

Local Expenditures: Required closure of public schools on Maryland Emancipation Day somewhat reduces the options of local school systems in setting their school calendars in a manner that complies with State law, thus causing operational impacts for some local school systems. However, the addition of a Maryland Emancipation Day school holiday does not alter the minimum number of school days and school hours that public schools must be open and, therefore, does not materially affect annual expenditures for operating public schools.

Additional Information

Prior Introductions: SB 76 of 2020 was jointly assigned to the Senate Education, Health, and Environmental Affairs and Senate Budget and Taxation committees and received a hearing, but no further action was taken.

Designated Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts); Maryland State Department of Education; University System of Maryland; Morgan State University; St. Mary's College of Maryland; Department of Budget and Management; Maryland Department of Transportation; Baltimore City Public Schools; Baltimore County Public Schools; Montgomery County Public Schools; Department of Legislative Services

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