

Department of Legislative Services
Maryland General Assembly

FISCAL NOTE

House Bill 649 (Prince George's County Delegation)

Economic Matters

**Prince George's County - Employment - Annual Leave for Parents and Legal
Guardians of Students
PG 414-98**

This bill requires an employer to provide at least eight hours of additional annual leave to employees who have children attending a Prince George's County public school to enable them to participate in school activities and in meetings with school teachers and administrators.

This bill takes effect July 1, 1998.

Fiscal Summary

State Effect: Potential increase in personnel expenditures. Revenues would not be affected.

Local Effect: Potential increase in local personnel expenditures. Revenues would not be affected. **This legislation imposes a mandate on a unit of local government.**

Small Business Effect: Meaningful impact.

Fiscal Analysis

Background: Prince George's County operates the largest public school system in the State, with a total enrollment of about 125,000 students.

State Expenditures: Providing a limited number of State employees with one additional day of annual leave could result in a reduction in work productivity and an increase in overtime payments for State agencies that operate around-the-clock (e.g., State Highway Administration and State Police). These effects cannot be reliably estimated at this time.

Local Expenditures: Prince George's County advises that approximately 1,800 employees would be affected, thus resulting in a reduction in work productivity. Further, the county would incur additional overtime expenses for employees working in agencies that operate on a 24-hour basis. In addition, other local governments which employ individuals with children attending public schools in Prince George's County would be affected. The total impact on local governments cannot be accurately estimated; however, it could be significant.

Small Business Effect: Based on 1990 federal census data, there are 100,181 family households in Prince George's County with children, representing approximately 55% of all family households and 39% of total household units. Since 87% of school-age children in Prince George's County are enrolled in public schools, approximately 87,000 families could be affected by this legislation.

Nearly 415,000 residents of Prince George's County participate in the workforce, of which 40% work in Prince George's County, 15% in other Maryland jurisdictions, and 45% in the District of Columbia and Virginia. Since this legislation applies only to businesses operating in the State, around 45% of residents would not receive an additional day of annual leave since they work in the District or Virginia. Furthermore, when federal employment, which comprises around 10% of total employment in Montgomery and Prince George's counties, is taken into account, only around 50% of families with children will be impacted by this proposed legislation.

It is assumed that approximately 35% (145,000) of individuals working in Prince George's County have children attending public schools. Of this amount, approximately 50% (72,500) work for businesses affected by this legislation. Based on an estimated hourly wage of \$14.83, the average for Prince George's County, the cash equivalent of providing an additional eight hours of annual leave to employees could total \$8.6 million. A portion of this cost could be deferred assuming replacement workers are not required when employees are attending school activities.

Because most businesses in the State are small businesses and they have fewer employees to utilize in arranging for staffing due to the additional leave requirement of this bill, small businesses will be impacted more severely than large businesses.

Information Source(s): Prince George's County, Department of Legislative Services

Fiscal Note History:

First Reader - February 19, 1998

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