

Department of Legislative Services
Maryland General Assembly
2007 Session

FISCAL AND POLICY NOTE

House Bill 82 (Delegate Conaway)
Health and Government Operations

State Holiday - Rosa Parks's Birthday

This bill adds Rosa Parks' Birthday (February 4) to the list of legal holidays observed in the State and makes it a paid holiday for State employees. The bill directly applies to all nontemporary Executive Branch employees, except (1) employees in an agency authorized or required to establish holiday schedules different than the standard State holiday schedule; and (2) employees of the Maryland Department of Transportation.

Fiscal Summary

State Effect: Potential substantial increase in overtime expenditures for agencies whose employees must work holidays. Revenues would not be affected.

Local Effect: The bill would not directly affect local government finances.

Small Business Effect: None.

Analysis

Current Law: The State of Maryland recognizes 15 legal holidays and 12 State employee holidays, as identified in **Exhibit 1**.

Generally, an employee (because of the nature of his/her duties) who is required to work on an employee holiday receives compensatory time for that work. However, an employee (including an employee in a 24-hour facility) must receive payment for the holiday at the regular hourly rate of pay plus time and one-half payment for the number of holiday hours actually worked, if the employee is eligible to receive cash overtime and

is not scheduled to work that day but is called in to work anyway. For example, an employee who was prescheduled to be off on a holiday but is called into work to cover for another employee who calls out sick may be entitled to overtime pay.

Exhibit 1
State of Maryland Legal and State Employee Holidays

<u>Holiday</u>	<u>Legal</u>	<u>State Employee</u>
New Year's Day	✓	✓
Dr. Martin Luther King, Jr.'s Birthday	✓	✓
Lincoln's Birthday	✓	
Washington's Birthday/President's Day	✓	✓
Maryland Day	✓	
Good Friday	✓	
Memorial Day	✓	✓
Independence Day	✓	✓
Labor Day	✓	✓
Defender's Day	✓	
Columbus Day	✓	✓
Veterans' Day	✓	✓
Thanksgiving Day	✓	✓
Day After Thanksgiving		✓
Christmas Day	✓	✓
Statewide General Election Day	✓	✓

Note: In addition to these recognized holidays, "legal holiday" and "employee holiday" also include each day the U.S. President or Governor designate for general cessation of business.

Background: Rosa L. Parks, known as the "Mother of the Modern Day Civil Rights Movement," was born on February 4, 1913 in Tuskegee, Alabama. On December 1, 1955, while sitting in a racially segregated section of a bus in Montgomery, Alabama, she refused to obey the bus driver's orders to give up her seat to a white man. Her subsequent arrest and trial for this act of defiance led to the Montgomery Bus Boycott that began on December 5, 1955 and lasted for 381 days. Her action eventually resulted in the desegregation of the buses and is considered by many to be the beginning the modern day American Civil Rights Movement. She received numerous honors and

accolades throughout her life including the Presidential Medal of Freedom and the Congressional Gold Medal. Mrs. Parks died on October 24, 2005.

The Department of Legislative Services (DLS) is aware of four states with commemorative days in honor of Rosa Parks: Michigan, Missouri, New York and Pennsylvania. Commemorative days are set aside in honor or in recognition of an individual's achievements; however, State employees are generally not provided leave for a commemorative day. DLS is not aware of a state with a legal holiday or state employee holiday in honor of Rosa Parks.

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

Direct Costs

It is unknown how many State employees would be required to work on this holiday; however, examples of State employees who may have to work on holidays include correctional officers, employees of State run medical and psychiatric facilities, State mental retardation center employees, certain child protective services workers, employees of Department of Juvenile Services residential facilities, and State Police officers. If employees who have the holiday prescheduled off are required to report for duty on the holiday, then they may be entitled to receive overtime pay. Therefore, the direct cost of the bill would depend on the number of State employees calling out on the holiday, whether another employee with the holiday prescheduled off would have to fill that shift, the relief employee's hourly rate of pay, and whether he/she qualifies for overtime pay. None of these factors can be reliably quantified at this time.

For illustrative purposes only, the Department of Health and Mental Hygiene (DHMH) advises that on average, 128 registered nurses (RN) who are scheduled to work on a holiday call out from all 16 DHMH facilities. Assuming an average hourly salary of \$24.51 for an RN, overtime pay for that individual would be \$36.77 per hour. Assuming an eight-hour shift, 128 call outs, and fringe benefits at 17.91% (Social Security, unemployment insurance, workers compensation, and retirement), overtime expenditures could increase by \$44,396 to compensate these employees alone.

In addition to providing overtime pay, there would be an impact resulting from a loss of productivity for giving employees a day off. This impact, however, cannot be reliably quantified.

Indirect Costs

To the extent that agencies authorized to create their own holiday schedule or other branches of State government adopt this date as a holiday, expenditures may increase even further. The Administrative Office of the Courts advises that while the Chief Judge would have to approve of this date as a holiday for Judiciary Branch employees, it is common practice to follow Executive Branch procedures. If the holiday is adopted by the Legislative Branch, since this holiday occurs during the legislative session, all employees of DLS would have to report for work. DLS paid around \$13,000 in cash overtime to its qualifying employees working on the 2007 Presidents Day holiday.

Local Fiscal Effect: It is assumed that local governments do not automatically adopt the State employee holiday schedule. For example, Montgomery County advises that it does not observe Columbus Day as a county employee holiday. Therefore, the bill should not directly impact local government finances.

Additional Information

Prior Introductions: None.

Cross File: None.

Information Source(s): Department of Public Safety and Correctional Services, Department of Juvenile Services, Department of Human Resources, Department of State Police, Department of Natural Resources, Department of Health and Mental Hygiene, Maryland Department of Transportation, City of Havre de Grace, Caroline County, Montgomery County, Prince George's County, City of Frederick, Judiciary (Administrative Office of the Courts), *The Montgomery Advertiser*, The Rosa & Raymond Parks Institute for Self Development, Department of Legislative Services,

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