

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 58
Finance

(Senator Benson)

Labor and Employment - Parental School Engagement Leave Act

This bill requires an employer (including the State and local governments) with at least 50 employees in the State to provide an employee with at least 12 hours of paid parental school engagement leave each school year if the employee meets specified conditions. An employee may use the leave to attend school meetings and conferences for the employee's child. The State Superintendent of Schools and the Commissioner of Labor and Industry must develop and make available a model document that may be used to meet the bill's documentation requirements. The Commissioner of Labor and Industry (1) may assess penalties and (2) must notify employers of the bill's requirements and adopt regulations to implement the bill.

Fiscal Summary

State Effect: State expenditures (all funds) may increase, potentially significantly, due to increased administrative and personnel costs associated with providing paid parental school engagement leave to employees, as discussed below. General fund revenues may increase from assessed civil penalties beginning in FY 2026. **This bill establishes an entitlement program beginning in FY 2026.**

Local Effect: Local government expenditures may increase, potentially significantly, for local governments with at least 50 employees to provide paid parental school engagement leave to employees, as discussed below. Revenues are not affected. **This bill may impose a mandate on a unit of local government.**

Small Business Effect: Minimal.

Analysis

Bill Summary: The bill defines “school” as an elementary or secondary public or nonpublic school that is located in Maryland or in a state that shares a common boundary with Maryland.

The bill may not be construed to limit or otherwise affect any other law, employer policy, or collective bargaining agreement that provides for parental school engagement leave benefits that are more generous than required by the bill.

An employee must have been employed by the employer for at least six consecutive months and worked at least half-time to be entitled to the leave. Parental school engagement leave must be paid at the employee’s regular rate of pay and separate from any other leave benefits provided by the employer.

The bill establishes procedures and restrictions regarding parental school engagement leave. An employer may deny a request to use parental school engagement leave for specified reasons, and the bill specifies documentation requirements for an employee using the leave.

If an employer fails to comply with the bill’s requirements, the Commissioner of Labor and Industry may assess the employer a civil penalty of up to \$100 for each affected employee.

For schools located in Maryland, the State Superintendent of Schools must notify school administrators, parents, and guardians of the bill’s requirements.

Current Law: Maryland law does not require private-sector employers to provide employees with paid or unpaid parental school engagement leave.

Maryland Healthy Working Families Act

Generally, the Maryland Healthy Working Families Act requires an employer with 15 or more employees to have a sick and safe leave policy under which an employee earns at least 1 hour of paid sick and safe leave, at the same rate as the employee normally earns, for every 30 hours an employee works. An employer with 14 or fewer employees, based on the average monthly number of employees during the preceding year, must at least have a sick and safe leave policy that provides an employee with at least 1 hour of unpaid sick and safe leave for every 30 hours an employee works.

An employer is not required to allow an employee to earn or carry over more than 40 hours of earned sick and safe leave in a year, use more than 64 hours of earned leave in a year,

accrue more than 64 hours at any time, or use earned sick and safe leave during the first 106 calendar days the employee works for the employer. An employer is not required to carry over unused earned sick and safe leave if the leave is awarded at the beginning of each year.

The Act does not apply to specified circumstances, such as employees who regularly work less than 12 hours a week, specified independent contractors, and individuals younger than age 18.

Annual and Personal Leave in the State Personnel Management System

Most employees in the State Personnel Management System (SPMS), except temporary employees, earn annual and personal leave, in addition to sick and bereavement leave. Annual leave accruals are based on the employee's years of service, which range from a maximum of 80 hours of annual leave each year for employees with less than 5 years of service to a maximum of 200 hours of annual leave each year for employees with at least 20 years of service. Annual leave may be used for any reason, upon supervisor approval. State employees in SPMS are generally entitled to six days, not to exceed 48 hours, of personal leave with pay at the beginning of the first full pay period of the calendar year. If an employee begins employment on or after March 1, the number of personal days is reduced, based on the employee's start date. Personal leave may be used for any purpose, generally, after notice is given to the employee's immediate supervisor.

Leave policies are generally comparable across branches and personnel systems, with some variations.

State Revenues: General fund revenues may increase minimally from assessed civil penalties beginning in fiscal 2026.

State Expenditures:

Administrative Costs

The Maryland Department of Labor (MD Labor) notes that employers with 50 or more employees tend to be relatively sophisticated, so MD Labor does not anticipate a large volume of cases or complaints under the bill. Thus, MD Labor can adopt regulations, develop a documentation form, publicize the parental school engagement leave with employers, and investigate and enforce the bill with existing resources.

The Department of Budget and Management can add the parental school engagement leave to its timekeeping system with existing resources but notes that the bill increases the workload for human resources staff. Administrative expenses associated with

recordkeeping, documentation, and notification requirements for State employees may increase. Other agencies with their own independent personnel systems may incur additional costs to track parental school engagement leave time and review documentation of the leave. For example, the University of Maryland Baltimore County estimates that a part-time human resource employee is needed to manually track leave and oversee the program, increasing expenditures by approximately \$35,000 annually.

The Maryland State Department of Education can develop a model document for parents and school administrators with MD Labor and notify stakeholders with existing resources.

Although the civil penalty could increase litigation through appeals, the Judiciary can likely handle any such increase in litigation with existing resources.

The Office of Administrative Hearings (OAH) notes that the Commissioner of Labor and Industry delegates various contested cases to OAH, and OAH can handle an increase in cases with existing resources. Additionally, OAH notes that it needs to train administrative law judges on substantive aspects of the bill, which it can do with existing resources.

Labor Costs

Expanding the leave policy for State employees does not directly affect State expenditures for most State agencies, since regular employee salaries are already budgeted. Additionally, State agencies do not generally hire temporary employees when employees are on leave. However, as a result of providing an additional type of paid leave to State employees, paid leave may be used more frequently, which could disrupt some State operations, affect productivity, and/or require additional expenditures for overtime, particularly in units that require 24/7 staffing. The actual impact is unknown, but it could increase expenditures (all funds) potentially significantly.

Local Expenditures: Local jurisdictions with at least 50 employees may incur significant increases in expenditures to provide paid parental school engagement leave. The Maryland Association of Counties estimates providing the leave will cost counties hundreds of thousands of dollars annually. Montgomery and Prince George's counties public schools both estimate expenditures increasing by several million dollars annually to provide the parental school engagement leave to employees.

Additional Information

Recent Prior Introductions: Similar legislation has not been introduced within the last three years.

Designated Cross File: None.

Information Source(s): Anne Arundel, Charles, Dorchester, and Garrett counties; Maryland Association of Counties; Baltimore City Public Schools; Baltimore County Public Schools; Montgomery County Public Schools; Prince George’s County Public Schools; City of College Park; Maryland Municipal League; Judiciary (Administrative Office of the Courts); Maryland State Department of Education; University System of Maryland; Department of Budget and Management; Maryland Department of Labor; Maryland Department of Transportation; Office of Administrative Hearings; Department of Legislative Services

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