

Department of Legislative Services
Maryland General Assembly
2025 Session

FISCAL AND POLICY NOTE
First Reader

Senate Bill 139 (Senator Ellis)
Education, Energy, and the Environment and
Budget and Taxation

State Government - Legal and Employee Holiday - Maryland Emancipation Day

This bill establishes Maryland Emancipation Day as a State legal holiday and State employee holiday on November 1. Accordingly, the bill also repeals the requirement that the Governor annually proclaim November 1 as Maryland Emancipation Day.

Fiscal Summary

State Effect: Expenditures (all funds) increase significantly, likely by millions of dollars, beginning in FY 2026, 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. Revenues are not materially affected.

Local Effect: 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. Revenues are not affected.

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 enslaved people in the State.

The State recognizes 11 bank holidays, 17 legal holidays, and 13 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
Juneteenth National Independence Day			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.

** As there is no corresponding federal holiday, a banking institution may remain open.

*** 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).

Except as otherwise provided in statute, 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: The Department of Budget and Management (DBM) estimates the cost of supplying one day of leave to over 22,000 State employees in the State Personnel Management System is approximately \$5.0 million. However, the Department of Legislative Services notes that 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. DBM estimates that the bill increases expenditures (all funds) by at least \$2.1 million annually beginning in fiscal 2026 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 (DNR). While DNR notes there is a minor and variable annual fiscal impact from overtime costs, adding an additional State employee holiday may improve employee morale and retention efforts. The University of Maryland, Baltimore Campus estimates annual additional expenditures of \$87,768 for overtime of essential employees to work the holiday.

The Maryland Department of Transportation (MDOT), which has an independent personnel system, establishes employee holidays through regulation instead of by statute. MDOT notes it faces pressure by unions to provide any additional holiday to Maryland Transit Administration union employees. To the extent that MDOT provides the paid holiday to employees, overtime costs increase further.

The Maryland State Department of Education (MSDE) notes that the department may incur savings as contractual employees and vendors do not receive pay on a holiday unless otherwise approved. It is unknown whether this leave would be approved for these contractual employees and vendors, but MSDE does not anticipate a material impact.

In addition to providing overtime pay, there may be a loss of productivity resulting from giving employees an additional day off. Agencies with independent personnel systems can add the leave to their personnel systems with existing resources.

Additional Information

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

Designated Cross File: HB 667 (Delegate Woods, *et al.*) - Health and Government Operations.

Information Source(s): Maryland Association of Counties; Maryland Municipal League; Governor's Office; Judiciary (Administrative Office of the Courts); Maryland State Department of Education; University System of Maryland; Department of Budget and Management; Maryland Department of Health; Maryland Department of Labor; Maryland Department of Natural Resources; Department of Public Safety and Correctional Services; Maryland Department of State Police; Maryland Department of Transportation; Department of Legislative Services

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