

Department of Legislative Services
Maryland General Assembly
2021 Session

FISCAL AND POLICY NOTE
Third Reader

House Bill 448

(Delegate Harrison)

Health and Government Operations

Education, Health, and Environmental Affairs

State Government - Legal and Employee Holiday - Juneteenth National Freedom Day

This bill establishes Juneteenth National Freedom Day as a State legal holiday and State employee holiday on June 19. The bill also repeals the requirement that the Governor annually proclaim June 19 as Juneteenth National Freedom Day. **The bill takes effect June 1, 2021.**

Fiscal Summary

State Effect: Expenditures (all funds) increase significantly, likely by several million dollars, beginning in FY 2021, 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: Juneteenth National Freedom Day is a commemorative day in the State. The Governor must annually proclaim June 19 as Juneteenth National Freedom Day.

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).

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. Based on an analysis of similar legislation, it is estimated that the bill increases expenditures (all funds) by at least \$1.9 million annually beginning in fiscal 2021 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), which has an independent personnel system, 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 may be a loss of productivity resulting from giving employees an additional day off.

Additional Information

Prior Introductions: None.

Designated Cross File: None.

Information Source(s): Judiciary (Administrative Office of the Courts); Maryland State Department of Education; Maryland Department of Transportation; Anne Arundel and Baltimore counties; Maryland Municipal League; Department of Legislative Services

Fiscal Note History: First Reader - March 12, 2021
rh/mcr Third Reader - March 22, 2021

Analysis by: Elizabeth J. Allison

Direct Inquiries to:
(410) 946-5510
(301) 970-5510