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FISCAL IMPACT REPORT

SPONSOR Garcia, MP ORIGINAL DATE 1/22/19
LAST UPDATED _____ HB 34
SHORT TITLE Dennis Chavez and Cesar Chavez State Holiday SB _____
ANALYST Chabot

ESTIMATED ADDITIONAL OPERATING BUDGET IMPACT (dollars in thousands)

	FY19	FY20	FY21	3 Year Total Cost	Recurring or Nonrecurring	Fund Affected
Total		\$6,153.8	\$6,153.8	\$12,307.6	Recurring	GF, OSF, FF

(Parenthesis () Indicate Expenditure Decreases)

Relates to Appropriation in the General Appropriation Act

SOURCES OF INFORMATION

LFC Files

SUMMARY

Synopsis of Bill

House Bill 34 creates the Dennis Chavez and Cesar Chavez Day as a legal public holiday on the first Friday in April.

FISCAL IMPLICATIONS

The bill has no direct fiscal implication; however, agencies would have a productivity reduction by reducing the available annual employee hours available.

SIGNIFICANT ISSUES

Rationale for creating the new holiday is found in Section 2 and will not be repeated in this FIR. It provides a summary of the careers of both Dennis and Cesar Chavez and their accomplishments.

Currently, the state has 10 legal holidays. This reduces the available employee hours by 80 hours annually. Employee hours are budgeted at 2080 per year minus holiday hours and annual and sick leave hours accrued. Adding another holiday would increase holiday hours to 88 annually, an increase of 10 percent. Assuming agencies assigned manpower is based upon work to be accomplished, this would reduce available hours by 0.38 percent. Based upon a personal

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services costs of \$1.6 billion in FY19, adding an additional legal holiday would cost \$6,2 million. Out year costs would be increased by any compensation increases appropriated.

PERFORMANCE IMPLICATIONS

Agencies would have to absorb the loss in employee hours or hire additional staff or contract staff to meet agency responsibilities.

WHAT WILL BE THE CONSEQUENCES OF NOT ENACTING THIS BILL

The number of legal state holidays would remain at 10.

GAC/sb/gb