

## Department of Planning and Budget

### 2001 Fiscal Impact Statement

**1. Bill Number** SB858

**House of Origin** ☒ Introduced ☐ Substitute ☐ Engrossed  
**Second House** ☐ In Committee ☐ Substitute ☐ Enrolled

**2. Patron** Barry

**3. Committee** General Laws

**4. Title** Legal holidays; National Election Day.

**5. Summary/Purpose:**

Designates the Tuesday following the first Monday in November of every year of a national election for President of the United States as National Election Day.

**6. Fiscal Impact Estimates are:** Final

**6a. Expenditure Impact:**

<i>Fiscal Year</i>	<i>Dollars</i>	<i>Positions</i>	<i>Fund</i>
2000-01	0	0	N/A
2001-02	0	0	N/A
2004-05	\$749,659	N/A	GF
2004-05	\$168,063	N/A	NGF

**7. Budget amendment necessary:** No

**8. Fiscal implications:** The nature of this bill is that it would create a holiday that would occur once every four years. The next presidential election does not occur until November of 2004 (fiscal year 2005). Therefore, there is no fiscal impact in the current biennium. However, there is a fiscal impact once every four years.

Granting a new legal holiday will have an overall minimal fiscal impact on any single state agency. The impact will primarily be felt by those agencies that operate 24 hours a day, seven days a week. Requiring employees to work on a holiday usually does not result in agencies' having to pay them overtime pay. State policy does require agencies to give employees who work on a holiday hours of compensatory leave equivalent to the number of hours that they work.

Employees not exempt from the Fair Labor Standards Act must be paid time and one-half when they work overtime hours. (Usually exempt positions are classified employees Grade 8 or below. Agencies determine on a position by position basis which positions are exempt and which are non-exempt.) When essential non-exempt employees take the compensatory leave that they have earned, other staff are required to provide coverage. In some cases, this results in the replacement staff working sufficient hours in the workweek, or work period, to be eligible for overtime pay for the extra hours. Agencies typically try to schedule employees' use of their compensatory leave in order to avoid overtime liability.

Agencies usually will not incur a cost for the exempt portion of the state workforce. Exempt employees working on a holiday earn an equivalent amount of compensatory time for the

hours they work which must be used within a year. There is no overtime payment liability for the exempt employees. One exception would be if the employee left state government. In that case, the employee would have to be paid for any unused compensatory time earned.

The general fund agencies primarily impacted by a new legal holiday would be direct care staff at the Department of Mental Health, Mental Retardation and Substance Abuse Services, State Troopers at the Department of State Police, Juvenile Justice Officers at the Department of Juvenile Justice, and Correctional Officers at the Department of Corrections.

The annual payroll of the positions in these agencies that must operate on 24 hours a day, seven days a week basis is \$669.9 million all funds. The daily cost of these positions is \$1.8 million all funds. Assuming that all of these positions would qualify for overtime pay at 1.5 times their normal rate, the cost of the additional holiday is \$917,722 all funds. The general fund share of this cost is \$749,659 based on the fund splits of the agencies involved. The daily cost of the state's entire payroll is approximately \$9.9 million. This amount has already been budgeted regardless of the holiday. Therefore, the fiscal impact of the new holiday is the additional amount that must be paid in overtime.

**8. Specific agency or political subdivisions affected:**

All state agencies

**10. Technical amendment necessary:** No

**11. Other comments:** This bill is similar to HB 1782.

**Date:** 01/09/01/ jdh

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cc: Secretary of Administration

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