

November 1, 2005

Hon. Bill Lockyer
Attorney General
1300 I Street, 17th Floor
Sacramento, California 95814

Attention: Ms. Tricia Knight
Initiative Coordinator

Dear Attorney General Lockyer:

Pursuant to Elections Code Section 9005, we have reviewed the proposed statutory initiative regarding state holidays (File No. SA2005RF0101).

Major Provisions

The measure adds statewide general election dates to the list of state holidays. These elections occur twice—in June and November—every even-numbered year (one election in every fiscal year). Public K-12 schools and community colleges would be closed on this new holiday. Based on existing state law, however, the measure would not affect the total number of instructional days for schools (and teachers). Instead, the additional election holiday would come from other periods of planned time off. Teachers would receive the day off for each election. Nonteaching school/community college employees would receive an additional paid holiday only if approved through the collective bargaining process. Likewise, state employees would receive the additional holiday if approved through collective bargaining. If this occurred, state offices would be closed. The measure would not affect the University of California, the California State University, or local governments.

Fiscal Effect

State. If negotiated in contracts, the state would incur additional costs for a state holiday for public safety and 24-hour facility staff. This is because these employees receive extra pay for working on a state holiday in addition to accruing one day of leave credit to be used later. Based on the state cost to add the Cesar Chavez holiday, additional holiday pay expenses could total approximately \$18 million (\$10 million General Fund) if negotiated in contracts. The state would incur this cost annually (on a fiscal-year basis). This amount could be offset by concessions negotiated in exchange for adding the holiday.

K-12 Schools and Community Colleges. As noted above, there would be no net change in the length of the school year and, therefore, no additional teacher costs associated with the measure. There could be some minor cost (in relation to overall school funding) for nonteaching school employees if the extra holiday is bargained without offsetting concessions.

Fiscal Summary. The measure would have the following major fiscal impact:

- Increased state costs of up to \$18 million annually, depending on future collective bargaining negotiations.

Sincerely,

Elizabeth G. Hill
Legislative Analyst

Michael Genest
Acting Director of Finance