

OFFICE OF FISCAL ANALYSIS

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SB-350

AN ACT ESTABLISHING JUNETEENTH INDEPENDENCE DAY AS
A LEGAL HOLIDAY.

OFA Fiscal Note

State Impact:

| Agency Affected | Fund-Effect | FY 23 \$ | FY 24 \$ |
|------------------------|----------------|-----------------------------|-----------------------------|
| Various State Agencies | Various - Cost | 1.8 million- 2.3 million | 1.8 million- 2.3 million |

Note: Various=Various

Municipal Impact:

| Municipalities | Effect | FY 23 \$ | FY 24 \$ |
|------------------------|---|---------------------|---------------------|
| Various Municipalities | STATE MANDATE ¹ - Cost | less than 50,000 | less than 50,000 |

Explanation

The bill designates Juneteenth Independence Day as a legal state holiday. It is estimated that the Juneteenth Independence Day holiday will cost the state \$1.8 million to \$2.3 million annually, depending on how much overtime is utilized to cover the shifts for the essential employees who work on the new holiday.

It is assumed that Juneteenth Independence Day will be considered a non-premium state holiday.² Columbus Day was used as a model to

¹ State mandate is defined in Sec. 2-32b(2) of the Connecticut General Statutes, "state mandate" means any state initiated constitutional, statutory or executive action that requires a local government to establish, expand or modify its activities in such a way as to necessitate additional expenditures from local revenues.

² Premium state holidays are New Year's Day, Memorial Day, Independence Day, Labor Day, Thanksgiving Day, and Christmas Day. State employees who work on these holidays may receive additional (premium) pay.

estimate the cost of establishing a new non-premium state holiday. The time and labor and payroll databases in CORE-CT³ were utilized to compile these estimates.

Essential state employees who worked on Columbus Day in 2018 accrued \$1.5 million in paid time off (to be used at a later date). The additional cost results from replacing the worker when he/she takes a day off. This occurs primarily in the 24/7 operations of state government, such as correctional facilities, State Police, and health care facilities.

Additionally, employees were compensated \$300,000 for working on Columbus Day 2018. Certain collective bargaining agreements allow employees the option to accrue a compensatory day or earn compensation for working on a state holiday.

Therefore, it is estimated that the additional paid time off earned annually by the essential employees who work on Juneteenth Independence Day would be \$1.5 million to \$2 million.

It is also anticipated that compensation to employees who work on Juneteenth Independence Day and who elect compensation in lieu of compensatory time, along with any overtime pay, would total approximately \$300,000.

The bill also results in a cost to municipalities due to increased overtime costs associated with an additional state holiday. These costs, estimated to be less than \$50,000 per municipality, will vary based on the size of the municipal workforce, and on the specific holiday pay structure of each municipality. As an illustration, it is estimated that an additional holiday would result in costs to the City of New Britain of approximately \$22,000.

The Out Years

The annualized ongoing fiscal impact identified above would

³ The CORE-CT time and labor database does not include the judicial or legislative branches.

continue into the future subject to inflation.