

TENNESSEE GENERAL ASSEMBLY  
FISCAL REVIEW COMMITTEE



**FISCAL NOTE**

**HB 1544 – SB 1831**

January 24, 2019

**SUMMARY OF BILL:** Designates August 8 of each year as “Emancipation Day” and a legal holiday.

**ESTIMATED FISCAL IMPACT:**

**Increase State Expenditures – Net Impact –  
Up to \$647,600/FY20-21 and Subsequent Years**

**Other Fiscal Impact - To the extent local governments opt to observe the holiday, there will be an unquantifiable permissive recurring increase in local expenditures.**

Assumptions:

- Public Chapter 15 of 2007 designated August 8<sup>th</sup> “Emancipation Day”, as a special day of observance.
- The proposed legislation would change it from a day of observance to a legal holiday.
- Certain state employees will still be required to work on this holiday and will receive compensatory time for such work.
- Based on information provided by the Department of Human Resources, approximately 4,000 employees earned compensatory time on July 4<sup>th</sup>, 2019. The total value of such earned time, based on the hourly rates of employees, is estimated to be approximately \$691,890. Assuming this is a fair representation of those individuals required to work on a holiday, this estimate will be used in this analysis.
- Employees who work on the holiday and utilize their earned compensatory time will not result in a significant monetary impact on state expenditures. However, if any such employees do not utilize earned compensatory time and leave state service, they will be compensated for the earned time, resulting in an increase in state expenditures.
- Due to multiple unknown factors, the precise amount of any such increase in expenditures cannot be quantified but is reasonably estimated to range from \$173 per employee per holiday ( $\$691,890 / 4,000$ ) up to \$691,890 for all employees per holiday. Therefore, the annual increase in fiscal liability to the state is up to \$691,890.
- In addition, employees that would have been absent from work and would have been without pay due to zero annual and sick leave balances in the absence of this legislation, will instead receive pay for this holiday. Finally, some employees may work overtime to make up for work missed during the holiday. However, any increase in state

expenditures associated with these two groups of employees is estimated to be not significant.

- Based on information provided by the Department of General Services (DGS), the state will experience a recurring decrease in expenditures of approximately \$44,290 (\$4,290 shuttles + \$40,000 gas). The DGS contracts for shuttle services around the capitol estimated to be \$4,290 per day. The state cost for fuel purchases is estimated to be \$40,000 per day.
- Energy savings are estimated to be not significant due to efficient lighting used in state buildings as well as the amount of energy required to boot the HVAC system back up for a work day after it has been switched to an off-day setting for the holiday.
- The net impact on state expenditures as a result of the proposed legislation is estimated to be an increase up to \$647,600 (\$691,890 - \$44,290).
- Local governments may incur a permissive increase in expenditures in order to pay local government employees in should they opt to observe the legal holiday. Due to multiple unknown factors, any such permissive increase in local government expenditures cannot be quantified with reasonable certainty.

#### **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

/jdb