



## DEPARTMENT OF AUDITS AND ACCOUNTS

270 Washington St., S.W., Suite 1-156  
Atlanta, Georgia 30334-8400

**Greg S. Griffin**  
STATE AUDITOR  
(404) 656-2174

March 9, 2020

Honorable Shaw Blackmon  
Chairman, House Governmental Affairs Committee  
401-K State Capitol  
Atlanta, Georgia 30334

SUBJECT: Fiscal Note  
House Bill 973 (LC 50 0021)

Dear Chairman Blackmon:

This bill would create an additional state holiday on June 19 to commemorate the effective end of slavery in the United States through the enforcement of the Emancipation Proclamation.

State personnel costs are primarily for salaried employees who would be paid the same salary regardless of the existence of a new holiday. As detailed below, we identified potential costs or cost savings related to salaried employees, hourly employees, and utilities/contracts.

- *Salaried employees* – The bill would not result in additional state costs for salaried employees who do not work on the holiday; however, additional costs would be incurred for employees who work the holiday and then separate from their job before using the deferred holiday compensatory time. Upon separation from the job, the state would pay the individual for the deferred time.

Salaries for employees in the executive branch and University System of Georgia total \$47.5 million per workday (including the 12 holidays). This amount would not change as a result of the bill. However, salaried employees who work on a state holiday accrue deferred holiday compensatory time. Employees are expected to use the leave at a later day but will be paid for the accrued leave if they separate from their job prior to using such compensatory time. According to the Department of Administrative Services (DOAS), there were nearly 25,000 executive branch employees who earned deferred holiday compensatory time on Martin Luther King, Jr. Day in 2020. Assuming the average salary of an executive branch employee, eight hours of deferred time equates to a financial liability of \$4.2 million. It is not known what portion of the liability would result in additional payments.

- *Hourly employees* – The bill could result in cost savings associated with hourly employees. The savings depend on the number of hours not worked as a result of the holiday. According to DOAS, the executive branch employs 13,290 hourly employees with an average wage of \$13.88 per hour. If all worked half-time each day, a reduction of four hours' pay would result in savings of approximately \$740,000. If all worked eight hours a day, the savings would be \$1.48 million.

Per DOAS policies governing holidays, hourly workers are not entitled to time and a half for working on holidays and thus would not incur an additional cost if they did work on an additional holiday.

- *Building Operating Costs and Contracts* – According to the Georgia Building Authority (GBA), a reduction in utility costs and janitorial contract costs would be approximately \$22,000. Financial impacts on parking or cafeteria services contracts would be minimal.

Sincerely,



Greg S. Griffin  
State Auditor



Kelly Farr, Director  
Office of Planning and Budget

GSG/KF/jw