

Date of Hearing: May 11, 2022

ASSEMBLY COMMITTEE ON APPROPRIATIONS

Chris Holden, Chair

AB 2596 (Low) – As Amended March 24, 2022

Policy Committee:	Public Employment and Retirement	Vote:	6 - 0
	Governmental Organization		22 - 0

Urgency: No State Mandated Local Program: No Reimbursable: No

SUMMARY:

This bill adds the date corresponding with the second new moon following the winter solstice (or the third new moon following the winter solstice, should an intercalary month intervene), known as “Lunar New Year,” as a state holiday, with paid time off for state employees. This bill repeals the requirement for the Governor to annually proclaim the Lunar New Year.

FISCAL EFFECT:

General Fund and special fund costs of an unknown, but definitely significant, amount to provide an additional vacation day for eligible state workers. According to an estimate by the Legislative Analyst’s Office (LAO), adding a new state holiday would result in approximately \$10 million to \$20 million in annual direct costs to the state for premium pay and overtime to employees who must work on holidays, generally essential workers in 24-hour settings such as correctional facilities or state operations responding to an emergency. Of that amount, approximately \$2 million stems from increased leave liabilities, which are unused vacation or other leave amounts an employee can “cash out” upon separation. For years when the holiday falls on a Saturday, LAO estimates an additional \$74 million in increased leave liabilities (unlike Veterans Day, which is specially adjusted to the preceding Friday when November 11 falls on a Saturday; when a state holiday falls on a Sunday, the holiday is automatically observed the following Monday). LAO also estimates annual salary cost pressures of approximately \$70 million in lost productivity.

COMMENTS:

- 1) **Purpose.** According to the author, creating Lunar New Year as a state holiday “will recognize the cultural and historical significance of Lunar New Year and acknowledge Asian Americans and all individuals who celebrate this significant occasion.” The author notes such commemoration is especially important in light of ongoing efforts to tackle the issue of stopping Asian hate. This bill is supported by Attorney General Rob Bonta and the California Commission on Asian and Pacific Islander American Affairs.
- 2) **Lunar New Year.** Lunar New Year is important in many Asian countries and is increasingly recognized in countries outside of Asia. Much like the Western New Year, cultures that observe Lunar New Year celebrate a chance to leave behind the troubles of the past year and invite prosperity and good luck moving forward. The exact dates vary year to year, but Lunar New Year generally begins with the first new moon that occurs at the end of January, with festivities spanning the next 15 days of the lunar calendar, until the full moon arrives.

SB 892 (Pan), Chapter 199, Statutes of 2018, required the Governor to annually proclaim the Lunar New Year and encourage all public schools and educational institutions to conduct exercises recognizing the traditions and cultural significance of the holiday. San Francisco Unified School District also closes its schools in observance of Lunar New Year. This bill establishes Lunar New Year as a paid holiday for state employees. The holiday must be recognized on the specific date corresponding with the second or third new moon following the winter solstice.

- 3) **Related Legislation.** AB 1655 (Jones-Sawyer) adds June 19, known as “Juneteenth,” as a state holiday, with paid time off for public school, community college, California State University and State of California employees and a request that the University of California also observe the holiday. AB 1655 is pending hearing in this committee.

AB 1801 (Nazarian) adds April 24, known as “Genocide Awareness Day,” as a paid state holiday similar to AB 1655. AB 1801 is pending hearing in this committee.

AB 1872 (Low) adds the day of statewide general elections in even-numbered years as a paid state holiday similar to AB 1655 and eliminates Washington Day (Presidents’ Day) as a holiday in those years. AB 1872 is pending on this committee’s Suspense file.

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