
SENATE COMMITTEE ON APPROPRIATIONS

Senator Anna Caballero, Chair
2025 - 2026 Regular Session

AB 268 (Kalra) - State holidays: Diwali

Version: June 13, 2025

Urgency: No

Hearing Date: August 18, 2025

Policy Vote: G.O. 13 - 0, ED. 5 - 0

Mandate: No

Consultant: Janelle Miyashiro

Bill Summary: AB 268 adds Diwali to the list of state holidays, authorizes public schools and community colleges to close on Diwali, and authorizes state employees to elect to take specified leave in recognition of Diwali.

Fiscal Impact:

- Unknown, potentially significant fiscal impact to local educational agencies (LEAs), to the extent their governing boards agree to the paid holiday (Proposition 98 General Fund). The California Department of Education (CDE) notes in Fiscal Year 2023-24, the total amount LEAs paid in classified salaries was \$17,781,260,179. With 260 possible working days not adjusted for holidays and vacation, the statewide cost of one day of pay for classified employees of school districts, county offices of education, charter schools, and K-12 joint powers authorities is approximately \$68.8 million. CDE notes that there would be no direct fiscal impact to the department from the bill.
- Unknown total fiscal impact, potentially ranging in the tens to low hundreds of thousands of dollars to the California Community Colleges (CCCs), to the extent that districts decide to enter into a memorandum of understanding with faculty or staff unions to observe Diwali (Proposition 98 General Fund). The CCCs Chancellor's Office notes there may be workload costs in the low thousands of dollars per district to develop the policy, and additional cost pressures to add a corresponding instructional day. Other workload for each CCC district would include minor costs to update guidance and other documents related to community college holidays. There are 73 community college districts in California.
- Unknown fiscal impact to the California State University (CSU), to the extent collective bargaining agreements with staff may need to be renegotiated and the academic calendar needs to be rearranged. The CSU notes an additional holiday presents a cost of approximately \$25.4 million to the CSU associated with a loss of productivity.
- Unknown, potentially absorbable costs to the California Department of Human Resources to update holiday policies.

Background: Diwali, also known as Deepavali, is a major festival in India and among Indian communities across the world. Often referred to as the Festival of Lights, Diwali is a celebration of the triumph of light over darkness, good over evil, and hope over despair. Diwali typically falls in October or November, based on the Hindu lunar calendar, and spans five days of festivities. The word "Diwali" comes from the Sanskrit

word deepavali, meaning "row of lights," which reflects the custom of lighting oil lamps, or diyas, to illuminate homes, temples, and public spaces. Each day of Diwali holds its own religious and cultural significance, but the third day—often associated with Lakshmi Puja—is generally the most widely celebrated and recognized.

Proposed Law:

- Adds “Diwali,” the 15th day of the month of Kartik in the Hindu lunar calendar of each year, to the list of state holidays.
- Adds Diwali to the list of holidays that are excluded from designation as a judicial holiday.
- Authorizes public schools and community colleges to close on Diwali.
- Authorizes state employees to elect to receive eight hours of holiday credit for Diwali in lieu of receiving eight hours of personal holiday credit.
- States legislative findings and declarations.

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