

BUDGET LETTER

NUMBER: 01-07

SUBJECT: CESAR CHAVEZ HOLIDAY

DATE ISSUED: MARCH 21, 2001

REFERENCES: DEPARTMENT OF PERSONNEL ADMINISTRATION
PERSONNEL MANAGEMENT LIAISONS (PML):
2001-05 AND 2001-11, BUDGET LETTER 00-32

SUPERSEDES:

TO: Agency Secretaries
Department Directors
Departmental Budget Officers
Departmental Accounting Officers
Department of Finance Budget Staff

FROM: DEPARTMENT OF FINANCE

Note: Please forward a copy of this Budget Letter to your department's/agency's Personnel and Labor Relations Officers.

This letter addresses the recognition of Cesar Chavez Day as an official State holiday and provides background information and related budget development instructions for fiscal years 2000-01 and 2001-02 for those departments required to maintain mandatory and essential State programs on March 31.

A. Background

Chapter 213, Statutes 2000 (SB 984), amended Government Code Sections 19853 and 19853.1 for represented and excluded employees to include March 31, Cesar Chavez Day, as an official holiday for State employees. This Chapter provides that the holiday would be effective upon meeting the following conditions: (1) when agreed to by all 21 collective bargaining units, (2) when the Department of Personnel Administration (DPA) authorizes this holiday for employees designated as excluded from the Ralph C. Dills Act, and (3) upon legislative notification.

The DPA subsequently negotiated agreements with all 21 collective bargaining units to establish March 31, Cesar Chavez Day, as an official State holiday. On December 21, 2000, DPA provided the required notification to the Legislature. On January 16, 2001, DPA advised departments through PML 2001-05 that March 31 would be recognized as Cesar Chavez Day, and that this day would be an official State holiday for both represented and excluded employees.

Since March 31, 2001, falls on a Saturday, consistent with respective bargaining unit agreements, State employees will be eligible for a holiday credit. As noted in PML 2001-05, departments should review their respective collective bargaining agreements to determine the appropriate recognition of the Cesar Chavez Holiday.

B. Funding Requests, if applicable

This Budget Letter provides instructions to assist with the process of recognizing the additional 2000-01 and 2001-02 salary and related benefit costs resulting from the Cesar Chavez Holiday. For example, departments **required** to maintain mandatory and essential programs on State holidays (e.g., 24-hour operations, 24-hour care facilities, and departments with posted positions)

may incur additional personnel and overtime costs as a result of requiring employees to work on March 31, Cesar Chavez Day.

To address both the current year and budget year costs resulting from the Cesar Chavez Holiday, departments **required** to maintain mandatory and essential programs may submit a Finance Letter request to their respective Finance Budget Analyst. Also, as noted in Budget Letter 00-32, departments must submit a Form DF-580 (Request For Approval to Spend at a Rate Which Will Incur a Deficiency or Request for Funding a Deficiency or Loan) for current year deficiency requests.

Each Finance Letter request must provide an unequivocal justification for maintaining staffing levels on the new official State holiday, identify the number of affected positions and classifications, the corresponding collective bargaining identification numbers (CBID), and an explanation of the methodology used to calculate all costs associated with the requests for both current year and budget year. Departments must provide detailed documentation to support all calculations and assumptions. **Departmental requests to address personnel or overtime costs resulting from discretionary staffing issues on March 31 will not be considered.**

All current year deficiency requests for the Cesar Chavez Holiday will be addressed through the omnibus deficiency bill and in one Control Section 27.00 notification letter to the Legislature. Budget year requests will be addressed in one May Revision Finance Letter to the Legislature on behalf of all affected departments.

C. Salary Driven Benefits—State Employer Cost

Funding for approved requests will be provided for the following salary-driven payroll benefits applicable to the Cesar Chavez Holiday: OASDI at 6.2 percent of salary (up to the annual cap of \$78,150 for 2000-01 and \$81,900 for 2001-02), Medicare at 1.45 percent of salary (no cap), and retirement. Other increased costs will not be funded. **Please note that overtime payments are not subject to retirement contributions.**

Due Date

To address costs resulting from the Cesar Chavez Holiday, affected departments are to submit May Revision Finance Letter requests to their respective Finance Budget Analyst as soon as possible, but no later than **Wednesday, April 4, 2001.**

Please direct your questions to the following entities:

- For appropriate recognition of the Cesar Chavez Holiday refer to PML 2001-05, PML 2001-11, your department Labor Relations Office, or DPA.
- Treatment of budget documents should be directed to your Finance Budget Analyst.
- Technical guidance on provisions of this Budget Letter should be directed to either John Hiber or Rachael LaFlam of the Department of Finance, Administration Unit, at (916) 445-3274 (CNET 485-3274).

/s/ Yoshie Fujiwara

Yoshie Fujiwara
Program Budget Manager

Upcoming Budget Letters

- 2002-03 Budget Preparation Guidelines
- Year End Financial Reporting Requirements
- Health Insurance Portability and Accountability Act
- Attorney General's Legal Services Rate