



SOUTH CAROLINA REVENUE AND FISCAL AFFAIRS OFFICE
STATEMENT OF ESTIMATED FISCAL IMPACT
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Bill Number: H. 5040 Introduced on March 1, 2018
Author: King
Subject: Martin Luther King, Jr. Holiday
Requestor: House Medical, Military, Public, and Municipal Affairs
RFA Analyst(s): Powell
Impact Date: March 20, 2018

Estimate of Fiscal Impact

	FY 2018-19	FY 2019-20
State Expenditure		
General Fund	See Below	\$0
Other and Federal	See Below	\$0
Full-Time Equivalent Position(s)	0.00	0.00
State Revenue		
General Fund	\$0	\$0
Other and Federal	\$0	\$0
Local Expenditure	See Below	\$0
Local Revenue	\$0	\$0

Fiscal Impact Summary

This bill requires that all buildings and offices of the State, and any of its political subdivisions, including school districts, but excluding offices providing medical, protective, or emergency services, must be closed on the third Monday of January in observation of Martin Luther King Jr. Day. This holiday is already observed as a legal holiday pursuant to Section 53-5-10; therefore, in most cases there is no expenditure impact to the General Fund, Federal Funds or Other Funds as a result of this bill. Depending on how this bill is implemented, there may be an expenditure impact to the Other Funds or General Funds colleges, universities, and residential special schools if dorms are required to close.

An expenditure impact to school districts and local governments is not anticipated as a result of this bill. The Municipal Association of South Carolina indicated that municipalities may experience a minimal impact associated with implementing the bill, but anticipated that any additional expenditures could be managed within existing budgets.

Explanation of Fiscal Impact

Introduced on March 1, 2018

State Expenditure

This bill requires that all buildings and offices of the State, and any of its political subdivisions, including school districts, but excluding offices providing medical, protective, or emergency services, must be closed on the third Monday of January in observation of Martin Luther King Jr. Day.

Department of Administration. The Department of Administration indicates that this bill mirrors its current practices of observing Martin Luther King, Jr. Day as a legal holiday, in accordance with Section 53-5-10, by closing buildings and offices of the State. It anticipates no expenditure impact to the General Fund, Federal Funds, or Other Funds as a result of this bill.

The Department of Administration also notes that the holiday schedules of public colleges and universities, including technical colleges, may currently be observed on different dates than shown on the yearly schedule in accordance with S.C. Code Section 53-5-10. However, the number of total holidays cannot exceed the number of holidays allowed by the State and as stated in the State Human Resources Regulation 19-708.02.

Department of Education. The Department of Education indicates that this bill mirrors its current practices of observing Martin Luther King, Jr. Day as a legal holiday. It anticipates no expenditure impact to the General Fund, Federal Funds, or Other Funds as a result of this bill. A discussion of residential special schools is included below where the potential impact to colleges and universities is discussed.

Commission on Higher Education. The Commission on Higher Education indicated that the colleges and universities in general currently observe Martin Luther King, Jr. Day. However, several institutions stated that, depending upon how the bill is interpreted and implemented, it could require closing dormitories, dining halls, libraries, and other spaces providing student services. If the bill is interpreted in this manner, the colleges would incur costs associated with relocating students while the dormitories are closed. The amount of these potential costs is undetermined.

Currently, legal state holidays are addressed in Section 53-5-10. This section lists the legal holidays, of which Martin Luther King, Jr. Day is one, and provides flexibility for the colleges and universities in the observance of these holidays. It does not contain a requirement that all buildings and offices of the State be closed on the holiday.

Reading these sections together, it appears that the effect of this bill would be to remove the provision allowing colleges and universities flexibility in the observation of Martin Luther King, Jr. Day. The bill also requires that all buildings and offices of the State be closed. The exemption provided for medical, protective, or emergency services does not appear to cover college dormitories or residential special schools that provide housing to students.

If the bill is interpreted in this manner, the colleges would incur costs associated with relocating students while the dormitories are closed. The amount of these potential costs is undetermined.

Board for Technical and Comprehensive Education. The Board for Technical and Comprehensive Education indicates that this bill mirrors its current practices of observing Martin Luther King, Jr. Day as a legal holiday. It anticipates no expenditure impact to the General Fund, Federal Funds, or Other Funds as a result of this bill.

State Revenue

N/A

Local Expenditure

The Department of Education indicates that school district calendars are set by the local school boards. Most school districts currently plan Martin Luther King, Jr. Day as a holiday, but some districts include the day in their snow make-up plan. The districts would be required to remove this day from their snow make-up plans, but the Department of Education anticipates no expenditure impact to the General Fund, Federal Funds, or Other Funds as a result of this activity.

We also contacted forty-six counties and the Municipal Association of South Carolina (MASC) regarding the expenditure impact of this bill. Berkeley, Charleston, Clarendon, Horry, Florence, Lancaster, Pickens, and Saluda counties all indicated there will be no expenditure impact because they currently observe Martin Luther King, Jr. Day. Most buildings are closed on this day as part of their regular practices; however, Pickens County indicated their public safety and recycling centers stay open and the same is true of Saluda County's law enforcement and Emergency Medical Services offices. Public safety and Emergency Medical Services would be allowed to remain open pursuant to the exemptions provided in this bill. The MASC indicated that all municipalities currently observe Martin Luther King Jr. Day, but there may be an unspecified minimal impact associated with implementing this bill. This is expected to be managed within existing resources.

Local Revenue

N/A



Frank A. Rainwater, Executive Director