

SB 249-FN – AS INTRODUCED

2012 SESSION

12-2931

10/09

SENATE BILL **249-FN**

AN ACT requiring a request for proposals for the administration and management of the New Hampshire retirement system.

SPONSORS: Sen. Gallus, Dist 1; Sen. White, Dist 9; Rep. Kurk, Hills 7

COMMITTEE: Executive Departments and Administration

ANALYSIS

This bill requires that the department of administrative services issue a request for proposals and contract for the administration and management of the operations of the New Hampshire retirement system.

Explanation: Matter added to current law appears in ***bold italics***.
 Matter removed from current law appears [~~in brackets and struckthrough.~~]
 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twelve

AN ACT requiring a request for proposals for the administration and management of the New Hampshire retirement system.

Be it Enacted by the Senate and House of Representatives in General Court convened:

1 1 Purpose and Findings.

2 I. The New Hampshire Retirement System (NHRS) is a component unit of the state
3 governed by statute and overseen by a board of trustees. The NHRS provides all record-keeping,
4 administration, compliance, investment, and oversight services to the state of New Hampshire's
5 multiple employer pension plan and postemployment medical plans. The NHRS hires and monitors
6 outside actuaries, attorneys, and auditors to assist in the management of the pension and
7 postemployment medical plans. For the fiscal year of 2010, the NHRS had an annual budget of
8 \$8,311,000 to provide these services.

9 II. The legislature finds that the services currently provided by the NHRS can be provided
10 more efficiently and less expensively by a private business. To accomplish the goal of increasing the
11 efficiency and reducing the cost of the operation of the retirement system, the legislature hereby
12 requires a formal request for proposal process to select a qualified organization to take responsibility
13 for all aspects of the operation of the NHRS.

14 2 New Section; Administration and Management. Amend RSA 100-A by inserting after section
15 46 the following new section:

16 100-A:46-a Administration and Management.

17 I. The department of administrative services shall contract with a suitable professional
18 services organization for the administration and management of the operations of the retirement
19 system. The board of trustees and the department of administrative services shall prepare a
20 description of the duties and procedures for the administration and management of the operations of
21 the retirement system.

22 II. The department of administrative services shall publish a request for proposals (RFP)
23 and shall review and consider the qualifications after receiving proposals. The department of
24 administrative services shall negotiate a contract with the highest qualified firm for the
25 administration and management of the operations of the retirement system at compensation which
26 the department of administrative services determines is fair and reasonable to the state. Once
27 negotiations have been completed and the department of administrative services has had the
28 contract approved by the governor and council, all proposals submitted for a project shall become
29 available for public review.

30 3 Effective Date. This act shall take effect July 1, 2012.

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SB 249-FN - FISCAL NOTE

AN ACT requiring a request for proposals for the administration and management of the New Hampshire retirement system.

FISCAL IMPACT:

The Department of Administrative Services states this bill will increase state general fund expenditures by \$138,616 in FY 2013, and have an indeterminable impact on state expenditures in FY 2014 and each year thereafter. The New Hampshire Retirement System states this bill will have an indeterminable impact on state, county, and local expenditures in FY 2014 and each year thereafter. There will be no impact on state, county, and local revenues.

METHODOLOGY:

The Department of Administrative Services states this bill requires the state issue a request for proposal (RFP) for the administration and management of the operations of the New Hampshire Retirement System. The Department assumes it would need to hire consultants for assistance in preparation of the RFP, as well as hire an additional purchasing agent (labor grade 24, step 5) on a temporary basis for a minimum of six months. The Department states it estimates consulting services to cost approximately \$100,000 in FY 2013. The Department projects a hire date of October 1, 2012 for a purchasing agent, which would total \$38,616 in salary and benefit costs in FY 2013. The Department states continued contract management and administration will be required in FY 2013 and each year thereafter, however those costs are indeterminable at this time. This bill does not include authorization or appropriation for any new personnel.

The New Hampshire Retirement System states this bill requires the Department of Administrative Services to issue a request for proposal and contract with respect to the administration and management of the operations of the retirement system. The System states the bill is not specific enough to be able to determine its potential fiscal impact.