

HB 1634-FN – AS AMENDED BY THE SENATE

5Mar2014... 0397h  
04/24/14 1414s  
05/15/14 1709s  
05/15/14 1827s

2014 SESSION

14-2844  
04/03

HOUSE BILL ***1634-FN***

AN ACT relative to the salaries of certain unclassified positions and relative to transferring surplus revenues to the revenue stabilization reserve account.

SPONSORS: Rep. P. Schmidt, Straf 19

COMMITTEE: Executive Departments and Administration

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AMENDED ANALYSIS

This bill:

- I. Codifies the salaries of certain unclassified positions.
- II. Amends the title of a position in the department of administrative services.
- III. Amends 2013, 205 to repeal references to the financial examinations supervisor position in the insurance department.
- IV. Requires the state treasurer to transfer budget surplus moneys to the revenue stabilization reserve account.

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Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

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STATE OF NEW HAMPSHIRE

*In the Year of Our Lord Two Thousand Fourteen*

AN ACT relative to the salaries of certain unclassified positions and relative to transferring surplus revenues to the revenue stabilization reserve account.

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

1 1 Compensation of Certain State Officials. Amend RSA 94:1-a, I(b), salary grade EE by  
2 inserting the following position:

3 EE Insurance department health reform coordinator

4 2 Compensation of Certain State Officials. Amend RSA 94:1-a, I(b), salary grade GG by  
5 inserting the following positions:

6 GG Department of information technology director of technical support  
7 services

8 GG Department of information technology director of web support

9 GG Insurance department chief financial examiner

10 3 Compensation of Certain State Officials. Amend RSA 94:1-a, I(b), salary grade GG by deleting  
11 the following position:

12 GG Insurance department director

13 4 Compensation of Certain State Officials. Amend RSA 94:1-a, I(b), salary grade HH by  
14 inserting the following positions:

15 HH Department of information technology director of operations

16 HH Department of administrative services manager of risks and benefits

17 HH Department of employment security deputy commissioner

18 HH Department of revenue administration director, division of municipal and  
19 property

20 HH Insurance department director of financial regulation

21 5 Compensation of Certain State Officials; Department of Administrative Services; Title of  
22 Position Amended. Amend the following position in RSA 94:1-a, I(b), salary grade HH, to read as  
23 follows:

24 HH Department of administrative services director of [~~plant and property~~  
25 ~~management~~] **procurement and**  
26 **support services**

27 6 Insurance Department; Deputy Commissioner and Other Department Positions. Amend RSA

1 400-A:6, III-b to read as follows:

2 III-b. There shall be a director of [~~examinations;~~] **financial regulation** who shall be  
3 appointed by the commissioner of insurance. He **or she** shall serve at the pleasure of the  
4 commissioner during good behavior. The director of [~~examinations~~] **financial regulation** shall  
5 perform such duties and exercise such powers of the commissioner pursuant to RSA Title XXXVII as  
6 the commissioner from time to time may authorize.

7 7 Insurance Department; Compensation. Amend RSA 400-A:8, I-II to read as follows:

8 I. Compensation. The salary of the commissioner, deputy commissioner, director of  
9 operations, director of [~~examinations~~] **financial regulation**, actuary, life, accident and health  
10 actuary, and assistants to the commissioner shall be as prescribed in RSA 94:1-a.

11 II. Expenses. The commissioner, deputy commissioner, director of operations, director of  
12 [~~examinations~~] **financial regulation**, actuary, life, accident and health actuary, and the assistants  
13 to the commissioner shall be allowed their traveling expenses while engaged in the performance of  
14 their duties.

15 8 Insurance Department; Deputy Commissioner and Other Department Positions. Amend RSA  
16 400-A:6, VII to read as follows:

17 VII. The commissioner shall appoint, as the commissioner's assistants, a health care policy  
18 analyst, a health care statistician, a general counsel, an insurance fraud attorney, a senior insurance  
19 fraud investigator, an assistant property and casualty actuary, a compliance and enforcement  
20 counsel, **a chief financial examiner**, and a health reform coordinator, each of whom shall serve at  
21 the pleasure of the commissioner during good behavior. The health care policy analyst, health care  
22 statistician, general counsel, insurance fraud attorney, senior insurance fraud investigator, assistant  
23 property and casualty actuary, compliance and enforcement counsel, **chief financial examiner**,  
24 and health reform coordinator, shall perform such duties and exercise such powers as the  
25 commissioner may authorize.

26 9 Salary of Financial Examinations Supervisor. Amend 2013, 205:2 to read as follows:

27 205:2 Salary of [~~Financial Examinations Supervisor~~] **Insurance Department Position**. [~~The~~  
28 ~~salary of the financial examinations supervisor established in section 1 of this act shall be~~  
29 ~~determined after assessment and review of the appropriate temporary letter grade allocation in RSA~~  
30 ~~94:1 a, I(b) for the position which shall be conducted pursuant to RSA 94:1 d and RSA 14:14 e. Upon~~  
31 ~~completion of this action and appointment of the financial examinations supervisor,~~] Position 41776  
32 shall be abolished to allow for the transition of this classified position with its available  
33 appropriations into the unclassified position of [~~financial examinations supervisor~~] **chief financial**  
34 **examiner**. Funding shall be transferred into expenditure class 014, within accounting unit 02-24-  
35 24-240010-2520.

36 10 Financial Examinations Supervisor Position; Effective Date Amended. Amend 2013; 205:4 to  
37 read as follows:

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1           205:4 Effective Date.

2           ~~I. Section 1 of this act shall take effect as provided in section 3 of this act.~~

3           ~~II. The remainder of] This act shall take effect upon its passage.~~

4           11 Repeal. The following are repealed:

5           I. 2013, 205:1, relative to the position of financial examinations supervisor in the insurance  
6 department.

7           II. 2013, 205:3, relative to the financial examinations supervisor position in the insurance  
8 department.

9           12 Contingency. If the position of director of plant and property management in the department  
10 of administrative services is filled on or before the effective date of section 5 of this act and if SB 222  
11 of the 2014 legislative session becomes law, the person in that position shall, subject to the  
12 provisions of RSA 4:1 and any other applicable law, serve as the director of procurement and support  
13 services in the department of administrative services for the remainder of his or her term of office.

14           13 Transfer of Surplus to Revenue Stabilization Reserve Account. Notwithstanding RSA 9:13-e,  
15 II, and upon completion of the official audit performed pursuant to RSA 21-I:18, II(a) for the fiscal  
16 year ending June 30, 2014, the state treasurer shall transfer \$15,300,000 to the revenue  
17 stabilization reserve account, established in RSA 9:13-e.

18           14 Effective Date.

19           I. Sections 1-12 of this act shall take effect 60 days after its passage.

20           II. The remainder of this act shall take effect upon its passage.

**HB 1634-FN FISCAL NOTE**

AN ACT relative to the salaries of certain unclassified positions.

**FISCAL IMPACT:**

The Insurance Department states this bill, as amended by the Senate (Amendment #2014-1414s), will increase state restricted expenditures by \$87,831 in FY 2015, \$93,757 in FY 2016, \$99,066 in FY 2017, and \$104,452 in FY 2018. The Department of Employment Security states the bill will decrease state restricted expenditures by \$2,135 in FY 2015, and increase state restricted expenditures by \$4,061 in FY 2016 and each year thereafter. There will be no impact on county and local expenditures, or state, county, and local revenue.

**METHODOLOGY:**

The Insurance Department states this bill establishes compensation levels for unclassified positions within several state agencies. Within the Insurance Department, the bill establishes one Health Reform Coordinator position at labor grade EE. In addition, the bill changes the salary grades for two existing positions, one of which (Chief Financial Examiner) would go from a classified grade 34 to an unclassified grade GG, and the other of which (Director of Financial Regulation) would go from a classified GG to a classified HH. The Department states the first reclassification will have no budgetary impact, as salary and benefits for the position are already contained within the Department’s budget and will remain constant through FY 2018. The second reclassification will result in an increase in salary and benefit costs of approximately \$8,390 per year. As with other positions within the Department, these positions will be funded via an industry assessment, and will represent an increase in state restricted expenditures. Since the bill is effective 60 days after passage, it will likely take effect in FY 2015, with the following costs to the Department:

	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Expenditures:</b>				
Health Reform Coordinator (Labor Grade EE, with annual steps)	\$62,047	\$66,843	\$70,949	\$75,055
Benefits	\$17,394	\$18,524	\$19,727	\$21,007
Director of Financial Regulation (salary and benefit increase resulting from reclassification from Labor Grade GG to HH)	\$8,390	\$8,390	\$8,390	\$8,390
<b>Total</b>	<b>\$87,831</b>	<b>\$93,757</b>	<b>\$99,066</b>	<b>\$104,452</b>

The Department of Employment Security states the bill changes the position of Deputy Commissioner from a classified position under RSA 99 to a unclassified position under RSA 94 at labor grade HH. This position, like other positions within the Department, is funded via grants from the U.S. Department of Labor, as well as from other sources outside the general fund. In FY 2011 and FY 2012, the Deputy Commissioner position was filled at labor grade 35, step 8. This corresponds to unclassified labor grade HH, step 4, which is the step at which the Department anticipates the position will begin once it is effective in FY 2015. Beginning in FY 2016, the position will advance one step to reach the maximum step under labor grade HH. The Department states that currently, the classified position has been eligible for overtime payments, which will not be the case once the position is converted to unclassified status. In recent years, overtime payments have equaled approximately \$1,400 per year. The Department anticipates the change to unclassified status will have the following fiscal impact on state restricted expenditures:

	<b>FY 2015</b>	<b>FY 2016</b>	<b>FY 2017</b>	<b>FY 2018</b>
<b>Current Expenditures:</b>				
Classified Labor Grade 35, step 8	\$98,840	\$99,939	\$99,939	\$99,939
Overtime	\$1,400	\$1,400	\$1,400	\$1,400
Benefits	\$37,221	\$38,569	\$39,772	\$41,052
<b>Total</b>	<b>\$137,461</b>	<b>\$139,908</b>	<b>\$141,111</b>	<b>\$142,391</b>
<b>Projected Expenditures Under Bill:</b>				
Unclassified Labor Grade HH:	\$98,457	\$104,729	\$104,729	\$104,729
Benefits	\$36,869	\$39,239	\$40,442	\$41,722
<b>Total</b>	<b>\$135,326</b>	<b>\$143,969</b>	<b>\$145,172</b>	<b>\$146,452</b>
<b>Cost (Savings) Resulting From Bill:</b>	<b>(\$2,135)</b>	<b>\$4,061</b>	<b>\$4,061</b>	<b>\$4,061</b>

The Department of Information Technology states the bill establishes three unclassified positions under RSA 21-R:3. The Department states that at the current time (March 2014), its intent is to leave the positions vacant. In addition, Chapter 335, Laws of 2008 states the Department “shall abolish a position of comparable responsibility and compensation upon filling each of the division director positions” created by that chapter law and contained in this bill. For these reasons, the bill will have no fiscal impact.

The Department of Administrative Services and the Department of Revenue Administration state the bill will have no fiscal impact, as the changes are housekeeping statutory changes and are already reflected in the Departments' respective budgets.