

HB 674-FN - AS AMENDED BY THE HOUSE

18Feb2015... 0342h

2015 SESSION

15-0057
05/09

HOUSE BILL **674-FN**

AN ACT relative to the salaries of certain unclassified positions.

SPONSORS: Rep. P. Schmidt, Straf 19

COMMITTEE: Executive Departments and Administration

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.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.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 Fifteen

AN ACT relative to the salaries of certain unclassified positions.

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 FF by deleting
5 the following position:

6 FF Department of corrections warden, New Hampshire state prison
7 – women

8 3 Compensation of Certain State Officials. Amend RSA 94:1-a, I(b), salary grade GG by
9 inserting the following positions:

10 GG Department of information technology director of technical support
11 services

12 GG Department of information technology director of web support

13 GG Insurance department chief financial examiner

14 GG Department of corrections warden, New Hampshire
15 correctional facility for women

16 4 Compensation of Certain State Officials. Amend RSA 94:1-a, I(b), salary grade GG by deleting
17 the following position:

18 GG Insurance department director

19 GG Department of safety director of administration

20 5 Compensation of Certain State Officials. Amend RSA 94:1-a, I(b), salary grade HH by
21 inserting the following positions:

22 HH Department of information technology director of operations

23 HH Department of administrative services manager of risks and benefits

24 HH Department of employment security deputy commissioner

25 HH Department of revenue administration director, division of municipal and
26 property

27 HH Insurance department director of financial regulation

28 HH Department of safety director of administration

29 6 Compensation of Certain State Officials; Department of Administrative Services; Title of
30 Position Amended. Amend the following position in RSA 94:1-a, I(b), salary grade HH, to read as

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1 follows:

2 HH Department of administrative services director of [~~plant and property~~
3 ~~management~~] **procurement and**
4 **support services**

5 7 Insurance Department; Deputy Commissioner and Other Department Positions. Amend
6 RSA 400-A:6, III-b to read as follows:

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

12 8 Insurance Department; Compensation. Amend RSA 400-A:8, I-II to read as follows:

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

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

20 9 Insurance Department; Deputy Commissioner and Other Department Positions. Amend
21 RSA 400-A:6, VII to read as follows:

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

31 10 Salary of Financial Examinations Supervisor. Amend 2013, 205:2 to read as follows:

32 205:2 Salary of [~~Financial Examinations Supervisor~~] **Insurance Department Position**. [~~The~~
33 ~~salary of the financial examinations supervisor established in section 1 of this act shall be~~
34 ~~determined after assessment and review of the appropriate temporary letter grade allocation in~~
35 ~~RSA 94:1 a, I(b) for the position which shall be conducted pursuant to RSA 94:1 d and RSA 14:14 e.~~
36 ~~Upon completion of this action and appointment of the financial examinations supervisor,]~~ Position
37 41776 shall be abolished to allow for the transition of this classified position with its available

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1 appropriations into the unclassified position of [~~financial examinations supervisor~~] **chief financial**
2 **examiner**. Funding shall be transferred into expenditure class [014] **011**, within accounting unit 02-
3 24-24-240010-2520.

4 11 Financial Examinations Supervisor Position; Effective Date Amended. Amend 2013, 205:4 to
5 read as follows:

6 205:4 Effective Date.

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

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

9 12 Repeal. The following are repealed:

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

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

14 13 Effective Date. This act shall take effect 60 days after its passage.

HB 674-FN FISCAL NOTE

AN ACT relative to the salaries of certain unclassified positions.

FISCAL IMPACT:

The Department of Information Technology, Insurance Department, Department of Employment Security, and Department of Safety state this bill, **as amended by the House (Amendment #2015-0342h)**, will have an indeterminable fiscal impact on state expenditures in FY 2016 and each year thereafter. There will be no fiscal impact on state, county, and local revenues, or county and local expenditures.

The Office of Legislative Budget Assistant is awaiting information from the Department of Corrections relative to the potential fiscal impact of this bill. The Department was contacted on 12/31/14 to provide the information.

METHODOLOGY:

The Department of Information Technology states this bill establishes compensation levels for unclassified positions within several state agencies, based on recommendations made by the Joint Committee on Employee Classification. Within the Department, the bill establishes salary levels for the following three unclassified positions: Director of Technical Support Services (labor grade GG), Director of Web Support (labor grade GG), and the Director of Operations (labor grade HH). The positions themselves were established by Chapter 335, Laws of 2008, with the proviso that upon filling each position, the commissioner would abolish a position of comparable responsibility and compensation. The Department provides two potential scenarios regarding the bill's impact on state expenditures: First, if the three classified employees are nominated and confirmed to the three new unclassified positions then state expenditures will increase by \$60,340 in FY 2016, \$8,289 in FY 2017, \$10,430 in FY 2018, and \$12,643 in FY 2019. The initial increase in FY 2016 would be due largely to the payout of leave balances to those individuals as they transition from classified to unclassified status. The increases in subsequent years would be due to the difference in salaries and benefits between the unclassified positions and the classified positions they replaced. Alternatively, if the three classified employees leave state service and the unclassified positions are each filled at the entry level step then state expenditures would increase by \$58,468 in FY 2016, and decrease by \$40,116 in FY 2017, \$25,907 in FY 2018, and \$11,555 in FY 2019. The initial increase in FY 2016 would be due to the payout of leave balances to the departing individuals, while the

subsequent decrease in expenditures would be due to the fact that the new employees would be placed at the bottom of their respective salary scales.

The Insurance Department states this bill creates a new Health Reform Coordinator unclassified position (labor grade EE, minimum step) which, as with other positions within the Department, will be funded via an industry assessment. Second, the bill converts the Chief Financial Examiner classified position (LG 34, step 5) into an unclassified position (LG GG, step 4). Third, the bill converts the Director of Financial Regulation unclassified position from labor grade GG (maximum step) to HH (maximum step). The table below provides a detailed description of the anticipated increase in salary and benefits costs.

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|--|------------------|------------------|------------------|------------------|
| Current Expenditures | | | | |
| Chief Financial Examiner Classified Position (LG 34, step 5) | \$84,669 | \$84,669 | \$88,491 | \$88,491 |
| Benefits | \$33,768 | \$34,837 | \$36,748 | \$37,961 |
| Director of Financial Regulation Unclassified Position (LG GG, maximum step) | \$96,150 | \$96,150 | \$96,150 | \$96,150 |
| Benefits | \$36,081 | \$37,150 | \$38,291 | \$39,504 |
| Total | \$250,668 | \$252,806 | \$259,680 | \$262,106 |
| Projected Expenditures Under Bill: | | | | |
| Health Reform Coordinator (LG EE, minimum step) | \$62,737 | \$66,843 | \$70,949 | \$75,055 |
| Benefits | \$29,349 | \$31,245 | \$33,213 | \$35,254 |
| Chief Financial Examiner Unclassified Position Salary (LG GG, step 4) | \$91,401 | \$96,150 | \$96,150 | \$96,150 |
| Benefits | \$35,124 | \$37,150 | \$38,291 | \$39,504 |
| Director of Financial Regulation Unclassified Position Salary (LG HH, maximum step) | \$104,729 | \$104,729 | \$104,729 | \$104,729 |
| Benefits | \$37,810 | \$38,879 | \$40,020 | \$41,233 |
| Total | \$361,150 | \$374,996 | \$383,352 | \$391,925 |

| | | | | |
|-----------------------|------------------|------------------|------------------|------------------|
| Cost (Savings) | \$110,482 | \$122,190 | \$123,672 | \$129,819 |
|-----------------------|------------------|------------------|------------------|------------------|

The Department of Employment Security states this bill converts the classified Deputy Commissioner of the Department position (LG 35, step 8) to an unclassified position (LG HH, step 4). The Department anticipates the fiscal impact will be as detailed in the table below:

| | FY 2016 | FY 2017 | FY 2018 | FY 2019 |
|---|------------------|----------------|----------------|----------------|
| Current Expenditures | | | | |
| Classified Position (LG 35, step 8) | \$99,938 | \$99,938 | \$99,938 | \$99,938 |
| Overtime | \$1,400 | \$1,400 | \$1,400 | \$1,400 |
| Benefits | \$36,844 | \$37,913 | \$39,054 | \$40,267 |
| Total | \$138,182 | \$139,251 | \$140,392 | \$141,605 |
| Projected Expenditures Under Bill: | | | | |
| Unclassified (LG HH, Step 4) | \$99,552 | \$104,729 | \$104,729 | \$104,729 |
| Benefits | \$36,767 | \$38,879 | \$40,020 | \$41,233 |
| Total | \$136,319 | \$143,608 | \$144,749 | \$145,962 |
| Cost (Savings) | (\$1,863) | \$4,357 | \$4,357 | \$4,357 |

The Department of Safety states this bill changes the salary grade of the Director of Administration from GG (maximum step) to HH (maximum step). This change will result in the following increase in state expenditures:

| | FY 2016 and thereafter |
|---|-----------------------------------|
| Current Expenditures | |
| Unclassified (LG GG) | \$96,150 |
| Benefits | \$38,291 |
| Total | \$134,441 |
| Projected Expenditures Under Bill: | |
| Unclassified (LG HH) | \$104,729 |
| Benefits | \$40,020 |
| Total | \$144,749 |
| Cost (Savings) | \$10,308 |

The Department of Revenue Administration states this bill establishes the unclassified position of Director of Municipal and Property Division that will lead a division consolidating the former

Municipal Services Division and former Property Appraisal Division. Additionally, it eliminates the classified position of the Director of the Property Appraisal Division and the classified position of the Director Municipal Services Division. The Department reports this change will have no fiscal impact on state expenditures.

The Department of Administrative Services states this bill will have no fiscal impact on state expenditures.