

Senate Executive Departments and Administration Committee

Phil Jasak 271-1403

HB 30-FN, allowing a county to exempt its chief administrative officer from compulsory participation in the retirement system.

Hearing Date: March 15, 2023

Members of the Committee Present: Senators Pearl, Gendreau, Perkins Kwoka and Altschiller

Members of the Committee Absent : Senator Carson

Bill Analysis: This bill allows the county commissioners to exempt the county chief administrative officer from compulsory membership in the state retirement system.

Sponsors:

Rep. Aron

Rep. C. McGuire

Rep. S. Smith

Rep. Cloutier

Rep. Drye

Who supports the bill: Rep. C Maguire, Rep. Lekas, Kate Horgan (NHAC)

Who opposes the bill: Brian Ryll (PFFNH)

Who is neutral on the bill: Marty Karlon (NHRS)

Summary of testimony presented:

Sen. Gendreau for Rep. Judy Aron

- Representative Aron sent in a letter on her behalf in which Sen. Gendreau read to the committee.
- Rep. Aron wrote that HB 30 allows county commissioners to exempt the county chief administrator office from compulsory participating in the retirement system. This bill previously came into house legislature in the form of HB 1561 in 2020 and HB 141 in 2021. These bills were tabled during Covid-19.
- Rep. Aron stated there is no need for the county managers to be compelled to participate in the state retirement system if they already have retirement plans elsewhere. Most of them have come up through the system and already have already vested in group one and are very likely to stay. However, some may have an exception. We should give them the right to choose.
- The financial impact of the state retirement system is nil. HB 30 passed unanimously through the house. Rep. Aron urged the committed to pass HB 30.

Marty Karlon- New Hampshire Retirement System

- Mr. Karlon explained that this bill would allow a country to exempt its administrator from mandatory participation in NHRS when they hire somebody. By the majority vote of the governing body the position, the country can offer their own retirement plan.
- Mr. Karlon stated this provision has been in law for municipal administrators since the early 1970s.
- He said that the 10 counties and 10 administrators would not have any discernible impacts on NHRS rates or contributions for not everyone may opt to be exempted.
- Sen. Pearl asked if HB 30 would allow current members to opt out of being in the system they are currently in or is this specifically for new hires.
 - Mr. Karlon answered that he believed HB 30 is specifically for new hires. He explained that countries can currently exempt administrators if they give them a fixed term appointment.
- Sen. Altschiller asked if this issue was a particular issue for Sullivan County.
 - Mr. Karlon responded that this issue came to light a few years ago. He stated there is no ongoing disputes with the retirement system with any of the counties over the positions that have been made clear over time.

Kate Horgan- New Hampshire Association of Counties

- The three counties that currently hire their administration under a fixed term contract are Strafford County, Merrimack County, and Sullivan County.
- She addressed Sen. Altschiller's previous question by stating that Rockingham has a Director of Finance who does some of the same things as an administrator. Carroll County also does not have a county administrator. The commissioners are responsible for the day-to-day operations of the county.
- Ms. Horgan stated she sees this as a recruitment opportunity. She expressed that there was some conflict in Merrimack County until they were able to find the workaround contract. Merrimack's administrator used to be the superintendent of corrections. Therefore he would be placed in group 2. By moving to group 1, as the county's administrator, he would lose benefits. The county was able to work with the retirement system to find a solution.
- Sen. Pearl asked what the three counties were that hire administration under a fixed term contract.
 - Ms. Horgan responded Strafford County, Merrimack County, and Sullivan County hire administration under a fixed term contract. She added that under a fixed contract, one cannot be fired at will. This would give commissioners the opportunity if something were to happen to have that at will option if they needed it.