

Senate Finance Committee

Deb Martone 271-4980

SB 95-FN, amending the salary grade for the chairman of the public utilities commission.

Hearing Date: January 31, 2017

Time Opened: 1:00 p.m.

Time Closed: 1:12 p.m.

Members of the Committee Present: Senators Daniels, Reagan, Morse, D'Allesandro and Feltes

Members of the Committee Absent: Senator Giuda

Bill Analysis: This bill changes the salary grade for the chairman of the public utilities commission.

Sponsors:

Sen. Bradley

Rep. Vose

Who supports the bill: Kate Bailey and Robert Scott, NHPUC

Summary of testimony presented in support:

Kate Bailey, Commissioner, NHPUC:

- RSA 94:1-a sets out the compensation for state officials. The statute establishes that Commissioners and Chairmen are both compensated at the same level in Labor Grade JJ. Other state officials included in Labor Grade JJ are Deputy and Assistant Commissioners, such as the Deputy Commissioner of Administrative Services, the Deputy Commissioner of the Department of Transportation, the Deputy Attorney General, the Assistant Commissioners of the Department of Safety, the Assistant Commissioner of the Department of Corrections and Health and Human Services Senior Division Directors.
- As Chairman of the Site Evaluation Committee, which was reorganized a few years ago, the Chairman of the Public Utilities Commission has additional duties that mitigate in favor of the Chairman having a different labor grade.
- This will have no impact on state revenue as the NHPUC's budget is funded by utility assessments. The impact would be approximately \$8,000; the utility assessment for the Commission is approximately \$8 million per year. There will be no impact on General Funds.
- The bill proposes to move the Chairman's classification to Labor Grade LL. Others in that classification include heads of state agencies, such as the Commissioner of Safety, Commissioner of Transportation and Commissioners of

Administrative Services, Corrections, Revenue Administration, Information Technology and the Attorney General.

- The increased responsibilities from the Site Evaluation Committee, as well as the responsibilities as Department Head for the agency justify the change in the Chairman's Labor Grade to LL.
- Senator Reagan explained there is a process to reclassify an employee, and he sought clarification that Commissioner Bailey instead decided to propose legislation. Commissioner Bailey stated she had requested Senator Bradley to sponsor the bill. Senator Reagan insisted this is outside of how jobs are reclassified. He failed to understand why the bill had been presented.
- Senator Feltes asked if the Commission could take such action unilaterally on their own. Commissioner Bailey indicated they couldn't.
- Senator D'Allesandro explained we have a committee that reevaluates positions. If additional work has been assigned, or the nature of the position has changed, we employ the Hay Group to review the request for an upgrade. That process has been used fairly effectively. When the alphabet labor grades were first created, Senator D'Allesandro was involved with the process. Adjustments have been made in the ensuing years. Unless there is an urgency, that process should be used by the PUC. The salary can be retroactively increased. It has no effect on the budget process, because it would be funded by the utilities. Perhaps Commissioner Bailey was not aware of this process.
- Senator Feltes sought clarification on the justification for the request. Deputy Commissioners and non-Chairmen get paid at a lower labor grade. But this does not recognize that the Chairman of the Commission sits on other entities, including the Site Evaluation Committee. Is that the justification? Commissioner Bailey agreed that was her testimony as indicated in RSA 94:1-a. She apologized for not following the process, as she didn't believe it was necessary. Commissioner Bailey asked if that review by the Hay Group were something the Legislature or the Commission would request. Senator Reagan explained that typically a request is made to the Department of Administrative Services. The item gets placed on the agenda for the Joint Committee on Employee Classifications. The committee hears the request and then makes a determination whether or not to send it to the Hay Group. That is where the request is vetted for completeness, responsibilities and comparable pay scale in the region for the same type of position. That's how the committee knows the request falls within reason. If the duties have changed, it often calls for a change in classification, which can go in either direction.
- Commissioner Bailey did indicate she thought this was a delicate issue, as she believes the Chairman of the PUC would not have made this type of request for himself. Commissioner Bailey thought the Chairman should be recognized differently from other Commissioners. Senator Reagan stated it is a management decision to seek an increase for an individual, but it needs to go through the process to determine if it is appropriate.
- Senator Morse asked about the position detail in the Fiscal Note, where it indicates the "Current" vs. "New" salaried amount as being the same, \$128,260. Commissioner Bailey indicated there are no salary step levels in Grade LL.

Robert Scott, Commissioner, NHPUC:

- While he can't speak to Senator Bradley's decision to sponsor this bill as opposed to going to the Hay Group, Commissioner Scott supports the bill. The gravity of the work that is done at the Commission, through the Energy Division in general, impacts everyone. Either way, Commissioner Scott believes the increase is justified.

Action: Inexpedient to Legislate

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Date Hearing Report completed: January 31, 2017