

STATE OF NEW HAMPSHIRE

Inter-Department Communication

DATE: June 19, 2022

FROM: Michael A. Morrell
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AT (OFFICE): Legislative Services

SUBJECT: Final Proposal 2022-35 Employee Recognition Program

To: File

Attached are Kim Reeve's comments on Final Proposal 2022-35 from the Lottery Commission.

There is one substantive comment on page 2 of the FP. This proposal deletes rules that established the quarterly and yearly incentive monetary amounts based on employee sale goals. The proposed rule would now establish a new employee recognition review committee (ERRC) to develop and then to revise the monetary incentive structure but does not provide criteria for how the committee will decide what the amounts will be or how often they will amend the incentive structure. The agency states that the incentive amounts are tied to the budget so if there's no money available there will be no incentives. The agency also says that the ERRC has been developed because previously the rule pitted the employees against the employer but with the creation of the committee and inclusion of representatives from the sales team and the sales team manager, the employees have a voice in the incentive structure. RSA 284:21-h, VII says that the lottery "commission may develop and implement an employee recognition program for monetary incentives to promote increased sales and compensate lottery sales representatives based upon performance and funded from an existing lottery budget line item. **The incentive program shall be implemented through rules** adopted by the lottery commission in accordance with RSA 541-A." With deletion of the incentive amounts in the rule and the creation of the ERRC, it could be argued that the incentive program is not being implemented via administrative rules as the statute requires.