

HB 1668-FN - AS INTRODUCED

2024 SESSION

24-2654

12/10

HOUSE BILL ***1668-FN***

AN ACT relative to establishing a 4-day work week.

SPONSORS: Rep. Read, Rock. 10; Rep. Gallager, Merr. 20

COMMITTEE: Labor, Industrial and Rehabilitative Services

ANALYSIS

This bill mandates a regular work week of 32 hours in 4 8-hour days.

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 Matter which is either (a) all new or (b) repealed and reenacted appears in regular type.

STATE OF NEW HAMPSHIRE

In the Year of Our Lord Two Thousand Twenty Four

AN ACT relative to establishing a 4-day work week.

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

1 1 New Section; Labor; Protective Legislation; Workweek; Defined. Amend RSA 275 by inserting
2 after section 30-a the following new section:

3 275:30-b Workweek Defined. Any work in excess of 8 hours in one workday and any work in
4 excess of 32 hours in any one workweek and the first 8 hours worked on the seventh day of work in
5 any one workweek shall be compensated at the rate of no less than 1-1/2 times the regular rate of
6 pay for an employee. Any work in excess of 12 hours in one day shall be compensated at the rate of
7 no less than twice the regular rate of pay for an employee. In addition, any work in excess of 8 hours
8 on any seventh day of a workweek shall be compensated at the rate of no less than twice the regular
9 rate of pay of an employee. The compensation rate of pay at 32 hours shall reflect the previous
10 compensation rate of pay at 40 hours, and an employer shall not reduce an employee's regular rate of
11 pay as a result of this reduced hourly workweek requirement. The commissioner is authorized to
12 adopt such rules under RSA 541-A as necessary for the purpose of carrying out the provisions of this
13 section.

14 2 Effective Date. This act shall take effect 60 days after its passage.

**HB 1668-FN- FISCAL NOTE
AS INTRODUCED**

AN ACT relative to establishing a 4-day work week.

FISCAL IMPACT: ☒ State ☒ County ☒ Local ☐ None

Estimated State Impact - Increase / (Decrease)				
	FY 2024	FY 2025	FY 2026	FY 2027
Revenue	\$0	Indeterminable	Indeterminable	Indeterminable
<i>Revenue Fund(s)</i>	General Fund and Highway Fund Various Agency Funds			
Expenditures	\$0	Significant Indeterminable Increase \$43.2 million+	Significant Indeterminable Increase \$43.2 million+	Significant Indeterminable Increase \$43.2 million+
<i>Funding Source(s)</i>	General Fund and Highway Fund, Various Agency Funds, USNH Operating Funds, CCSNH Operating Funds			
Appropriations	\$0	\$0	\$0	\$0
<i>Funding Source(s)</i>	None			

- Does this bill provide sufficient funding to cover estimated expenditures? ☒ No
- Does this bill authorize new positions to implement this bill? ☒ No

Estimated Political Subdivision Impact - Increase / (Decrease)				
	FY 2024	FY 2025	FY 2026	FY 2027
County Revenue	\$0	\$0	\$0	\$0
County Expenditures	\$0	Indeterminable Increase \$1,000,000+	Indeterminable Increase \$1,000,000+	Indeterminable Increase \$1,000,000+
Local Revenue	\$0	\$0	\$0	\$0
Local Expenditures	\$0	Indeterminable Increase	Indeterminable Increase	Indeterminable Increase

METHODOLOGY:

This bill mandates a regular work week of 32 hours in 4 8-hour days and any hours worked beyond will be compensated at different rates of overtime. Additionally, employers are not allowed to reduce employees pay as a reduced hourly workweek requirement.

The Department of Administrative Services state the fiscal impact of this bill regarding a 4-day workweek for State employees is challenging to calculate due to various factors. Assuming no

exemptions, this policy would likely apply across the board, excluding "exempt" employees from overtime pay provisions in compliance with FLSA.

State agencies operating 24/7 would require scheduling adjustments and potentially new hires to maintain necessary coverage. The financial impact is indeterminable due to agencies budgeting full-time employees based on their operational needs. If the transition to a 32-hour week affects their ability to fulfill obligations, additional staff might be necessary, incurring pay and benefits costs. Estimating the amount of increased overtime or the number of new hires is difficult but essentially would result in an increase in State expenditures.

Lastly, potential energy savings from fewer workdays for some agencies aren't quantifiable due to insufficient data. While reduced operational days could potentially cut energy and electricity costs, the exact savings remain undetermined.

The Department of Labor states this bill prevents employers from lowering employees' pay rates due to reduced work hours and mandates that the 32-hour workweek pays the same as the previous 40-hour week. The bill authorizes the Labor Commissioner to create necessary rules. This bill is expected to affect state, county, and municipal wages for hours over 32, but estimating the exact impact is difficult. However, this may clash with RSA 279:21, which demands 1.5 times the regular rate for hours beyond 40, with certain exceptions.

The Judicial Branch assumes the bill would mandate the courts to continue to operate from Monday to Friday, which would require substantial additional funds for adequate staffing, leading to a significant increase in General Fund expenditures for the Judicial Branch.

The University System of New Hampshire (USNH) states the impact for this bill on the USNH operating budget is uncertain but could see a minimum annual expense increase of \$43.2 million, likely even higher. This estimation comes from a 20% reduction in the \$216 million budget for benefited status employees, reflecting additional expenses to cover work not completed within the new workweek definition. However, this is only a part of the expected cost surge, as it doesn't account for increased hourly rates if work thresholds are exceeded. The legislation's impact on faculty, adjunct, and student worker compensation is complex and difficult to estimate. Additionally, this substantial expense hike couldn't be absorbed in current operational costs. It's likely to prompt significant tuition or mandatory fee increases due to limited alternative revenue sources and budgetary flexibility.

The Community College System of NH states this bill will have an indeterminable increase on the CCSNH budget. The System anticipates employee compensation will need to be increased to

meet business operation needs, however, they are not able to calculate the impact and state they would need to revise the collective bargaining agreement to comply with this bill leading to additional legal expenses.

The New Hampshire Municipal Association states based on numerous factors including municipalities having differing schedules and requirements needed for staffing they are unable to determine the impact on local expenditures.

The New Hampshire Association of Counties states the county would see a significant increase in expenditures, likely to be in the millions annually, as county government operates 24/7 and would impact hours and overtime pay.

It is assumed the fiscal impact from this bill will not occur until FY 2025.

AGENCIES CONTACTED:

Department of Administrative Services, Department of Labor, University System of New Hampshire, Community College System of New Hampshire, New Hampshire Municipal Association, and New Hampshire Association of Counties