

**Senate Executive Departments and Administration  
Committee**  
*Kevin Condict 271-7875*

SB 201-FN, relative to classified and unclassified positions.

**Hearing Date:** February 5, 2025

**Time Opened:** 2:03 p.m.

**Time Closed:** 2:17 p.m.

**Members of the Committee Present:** Senators Pearl, McGough, Gannon, Altschiller and Reardon

**Members of the Committee Absent :** None

**Bill Analysis:** This bill authorizes the conversion of certain state positions to classified exempt salary positions, expands the rulemaking authority of the commissioner of the department of administrative services, amends the premium payment structure for state health care coverage, and allows temporary salary classifications for newly authorized unclassified positions.

This bill is a request by the department of administrative services.

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**Sponsors:**  
Sen. Innis

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**Who supports the bill:** Grant Bosse (Sen. Innis), Charlie Arlinghaus (DAS), Matt Maurogeorge (DAS), and Daniel Richardson.

**Who opposes the bill:** None.

**Who is neutral on the bill:** None.

**Summary of testimony presented:**

**Grant Bosse, New Hampshire Senate Deputy Chief of Staff**

- Mr. Bosse introduced Senate Bill 201-FN on behalf of Sen. Innis.
- Mr. Bosse explained that this bill is a request from the Commissioner of the Department of Administrative Services (DAS).
- Mr. Bosse explained that the bill does four things. The first proposal would create a process for the conversion of some types of existing state positions to a new type of classified salary positions.

- Mr. Bosse stated that the second proposal amends DAS' limited rulemaking authority around unclassified employees to add unpaid medical leave and discipline.
- Mr. Bosse stated that the third proposal reenacts an accidentally repealed provision of law that requires the State to pay a partial premium for healthcare coverage for its employees and eligible family members. He said that is consistent with the collective bargaining agreements.
- Mr. Bosse explained that the fourth proposal would authorize the DAS Commissioner to establish a temporary salary grade and step for an employee in newly legislatively authorized unclassified positions until the final position classification is determined and approved.
- He said that DAS has identified certain issues with the bill. He provided the Committee with amendment 2025-0084s.

**Commissioner Charlie Arlinghaus, Department of Administrative Services**  
**Matt Maurogeorge, Department of Administrative Services**

- Comm'r Arlinghaus said this is a benign housekeeping bill.
- Comm'r Arlinghaus explained that ninety-seven percent of the workforce are classified employees. He said most are paid hourly. He said they are not meant to be exempt under the Fair Labor Standards Act (FLSA). He said this bill creates a salaried class which would be voluntary.
- Comm'r Arlinghaus explained this bill creates some of the rules around that and puts it in statute.
- Comm'r Arlinghaus said that the legislature gave the DAS the authority to write rules on unclassified positions. There were previously no rules around those positions. He said that for the Governor and Executive Council (G&C) appointed unclassified positions there cannot be rules because the G&C can do what they want. He said that this bill would add unpaid medical leave because there is no current provision for if someone gets sick for an extended time. He also said that the bill creates rules around discipline so that there is a fair process.
- Comm'r Arlinghaus explained that a bill that was passed two years ago repealed a provision that has the DAS give health insurance coverage for people. He said that DAS still must provide it because it is in the collective bargaining agreement, but it should be in law.
- Comm'r Arlinghaus said that when an unclassified position is created it is not effective until the Joint Committee on Employee Classification (JCEC) establishes a salary grade. He said that process creates a big delay because there is no temporary provision. He said that JCEC does not meet frequently. He said that nine times out of ten the DAS knows what the grade is going to be, so this bill allows them to create a temporary position, and the new employee could start without having to wait for JCEC.
- Sen. Pearl asked about the amendment that was presented.

- Comm'r Arlinghaus said that Mr. Maurogeorge drafted the bill's language and gave it to the Office of Legislative Services (OLS). He said that OLS missed some things when they rewrote the language. He said the amendment provides slightly different, but better, wording. He said that was because Mr. Maurogeorge knows what the DAS is trying to do with the bill.
- Sen. Reardon said that her understanding of the FLSA is that positions are either classified or unclassified. She asked if this is an effort to take positions that are currently classified and either let somebody voluntarily move or wait until the position is vacant and change it.
  - Comm'r Arlinghaus said they would change the position if it was vacant or move the position on a voluntary basis. He explained that in the FLSA people are exempt or non-exempt. He said that classified covers essentially everybody. Because of the way New Hampshire has done positions since 1951, everybody ends up being paid hourly. He said that the federal government said that it is illegal and must be cleaned up in 2015.
  - Comm'r Arlinghaus said that many agencies have created a bunch of unclassified positions in the past six years that do not need to be unclassified. He said many of those positions are unclassified because they are salaried.
- Sen. McGough asked how this bill relates to the current responsibilities and duties of the JCEC.
  - Comm'r Arlinghaus said it does not affect them at all. He said the JCEC exists to give salary grades to positions. He said that for classified positions they have no role. He said this bill would provide a temporary grade, pending the JCEC's judgment. He said this would allow a position to start working pending the work of the JCEC, but it would not reduce their authority.
- Sen. Altschiller asked for more information on the voluntary conversion of positions. She asked if there was anything in the bill or in rules that says a person will not be "voluntold" their position is being converted.
  - Comm'r Arlinghaus said that people cannot be "voluntold" and that could be appealed to the Personnel Appeals Board and the union. He said it would be in the interests of both parties to do this, so it would not be helpful to "voluntell" someone. He said the Personnel Appeals Board would be cognizant of that. He said everything would be bargained if that were to happen. He said that is a natural check against "voluntelling."
- Sen. Altschiller asked about grievance procedures for "voluntelling." She asked what safeguards exist.
  - Comm'r Arlinghaus said that there is nothing currently because the reclassification does not exist yet. The safeguard is that the person would have to agree. He said that reclassification is one of the things where people have the right to refuse.

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Date Hearing Report completed: February 7, 2025