

STATE OF NEW HAMPSHIRE
DEPARTMENT of RESOURCES and ECONOMIC DEVELOPMENT
DIVISION of PARKS and RECREATION

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January 20, 2012

The Honorable Carol McGuire, Chairman
and the Executive Departments and Administration Committee
NH Legislative Office Building, Room 306
Concord, NH 03301

RE: HB 1544 adding state and local government part-time and public employees to employees eligible to participate in the state group insurance coverage.

Dear Chairman McGuire and Members of the Committee,

Thank you for the opportunity to provide testimony on House Bill 1544. This bill would extend participation in the state group insurance coverage to state part-time employees. While the intent of this bill is commendable, the Department of Resources and Economic Development (DRED), Division of Parks and Recreation (Division) opposes HB 1544 as written. We wish to provide this Committee with the fiscal impact that the bill would have on the State Park Fund, and we request clarification on certain aspects of the bill.

As you may know, the Division is completely operationally self-funded, whereby all revenue and fees collected within the state park system fund the Division's operating budget, including labor and benefits. Furthermore, the timeframe in which we operate is short: generally from mid-May to mid-October for summer operations, and from December to April for winter operations at Cannon Mountain – essentially, five months of summer revenue and five months of ski revenue, if the weather is favorable. And, our work force is primarily part-time, seasonal employees working more than 30 hours a week and making up 93% of the Division's total staff.

For purposes of estimating the fiscal impact of HB 1544, the cost to provide part-time employees with medical, dental, and life insurance benefits would amount to between \$2- to \$4-million. By contrast, the existing part-time labor budget in 2011 was \$3.6 million. This legislation as written increases an individual part-time employee's labor costs by as much as 75%, and would require reducing staffing levels by a corresponding amount to offset the additional cost. The NH state park system could not fulfill the requirements of HB 1544 without having a significant negative impact on operating and maintaining the park system for visitors.

The Division of Parks and Recreation is one of four divisions under DRED. Although we have the largest part-time work force, other divisions within the department would also be affected. Funding sources for the other divisions vary, including General Fund, federal funding, and grant funding sources.

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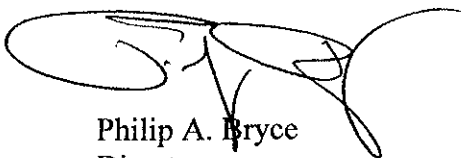
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The Division seeks clarification on certain aspects of this bill. In our fiscal impact calculations, we assume benefits are extended to the part-time employee plus one family member, and used the state's HMO plan contribution chart as opposed to the more expensive Point-of-Service plan. If the intent of HB 1544 is to include the spouse and dependent children, our estimates are too low. Additionally, it is assumed the part-time employee would pay into the medical and dental coverage at \$30 per pay period, as do those state employees under the Collective Bargaining Agreement.

Furthermore, HB 1544 would take effect 60 days after its passage; potentially, at the start of the 2013 fiscal year. The Division would need to reassess its operational budget, which is likely to substantially impact Division staffing and park visitors during the height of 2012 summer season. The intent of HB 1544 is commendable, however, the Division, as an operationally self-funded agency, opposes HB 1544 as written.

We are available to answer any questions you may have on this bill. Thank you for the opportunity to submit testimony.

Sincerely,

A handwritten signature in black ink, appearing to read "Philip A. Bryce", with a large, sweeping flourish extending to the right.

Philip A. Bryce
Director

PAB/ttl011912

C: George M. Bald, Commissioner