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THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



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Victoria F. Sheehan
Commissioner

William Cass, P.E.
Assistant Commissioner

The Honorable Ken Weyler, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301

Division of Operations
December 17, 2020

His Excellency, Governor Christopher T. Sununu
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 228:12, authorize the Department of Transportation to transfer \$4,467,900 from the Highway Surplus Account to fund winter maintenance activities effective upon Fiscal Committee and Governor and Council approval through June 30, 2021. 100% Highway Funds.

Funds are to be budgeted as follows:

From: 04-096-096-960015-363615-0000 Highway Surplus Account \$4,467,900

04-096-096-960515-2928	Current Budget FY2021	Requested Change	Revised Budget FY2021
Winter Maintenance			
Expenses:			
017 500147 FT Employees Special Payment	\$547,680	\$0	\$547,680
018 500106 Overtime	4,220,025	600,000	4,820,025
019 500105 Holiday Pay	34,847	0	34,847
020 500200 Current Expense	10,415,362	3,250,000	13,665,362
022 500257 Rents-Leases Other than State	8,049,773	500,000	8,549,773
023 500291 Heat, Electricity, Water	1,007,131	0	1,007,131
024 500225 Maint. Other than Bldg-Grounds	23,733	0	23,733
030 500311 Equipment New Replacement	427,950	0	427,950
037 500174 Technology-Hardware	50,000	0	50,000
038 500175 Technology-Software	100	0	100
039 500180 Telecommunications	117,119	0	117,119
047 500240 Own Forces Maint Bldgs & Grnds	13,577	0	13,577
048 500226 Contractual Maint Bldgs & Grnds	62,196	0	62,196
050 500109 Personal Service Temp	189,450	0	189,450
060 500601 Benefits	1,002,002	117,900	1,119,902
070 500704 In-State Travel Reimbursement	140,291	0	140,291
103 500741 Contracts for Op Services	136,111	0	136,111
Total	\$26,437,347	\$4,467,900	\$30,905,247
Source of Funds			
Revenue:			
000-000015 Highway Funds	\$26,437,347	\$4,467,900	\$30,905,247
Total	\$26,437,347	\$4,467,900	\$30,905,247

EXPLANATION

The Department requests authorization to transfer from the Highway Surplus Account, the amount of \$4,467,900 for winter maintenance activities. Specific explanations relating to the Department's spending requests are as follows:

Winter Maintenance (2928) 100% Highway Funds

- Class 018 Increase Overtime by \$600,000
- Class 020 Increase Current Expenses by \$3,250,000
- Class 022 Increase Rents-Leases Other than State by \$500,000
- Class 060 Increase Benefits by \$117,900

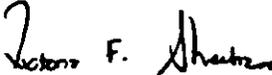
Due to projected costs of winter maintenance, the expenditures in the above class lines for snow removal and related activities will exceed the budget. Specifically, there are projected increased costs in overtime for Highway Maintainers (Class 18), associated taxes and benefits (Class 60), the need for additional salt/sand (Class 20), and an increase in rented equipment usage (Class 22).

For budgeting purposes, the Department estimates winter maintenance activities over a three-year average. However, for the Fiscal Year 2021 budget, winter maintenance activities were funded \$5.7M below the three-year average (2021 budget: \$45M vs. three-year average: \$50.7M). Due to projected costs of winter maintenance, the expenditures in the above class lines for snow removal activities and related equipment usage (increased use of overtime, salt/sand and hired equipment) will exceed the budgeted amount. At winter week 6 or 24% through the winter, the Department has expended 21.6% of the winter maintenance budget. At this time, the Department is requesting an additional \$4.5M from the Undesignated Highway Fund balance for winter maintenance. Additional funds may be requested if winter costs exceed the three-year average. Any funds not expended will be lapsed back into the Highway Fund during Fiscal Year end close.

Transfer requests and amounts lapsed for winter maintenance activities for the past four years (2017–2020):

Fiscal Year	2017	2018	2019	2020
Transfer Requested	\$9,105,750	\$10,197,000	\$11,126,400	\$7,310,000
Lapsed Funds related to Winter Maintenance Transfer Request	562,396	1,304,343	1,529,174	6,337,677
Transfer Funds Expended For Winter Maintenance Activities	\$8,543,354	\$ 8,892,657	\$9,597,226	\$972,323

Your approval of this resolution is respectfully requested.

Sincerely,

Victoria F. Sheehan
Commissioner

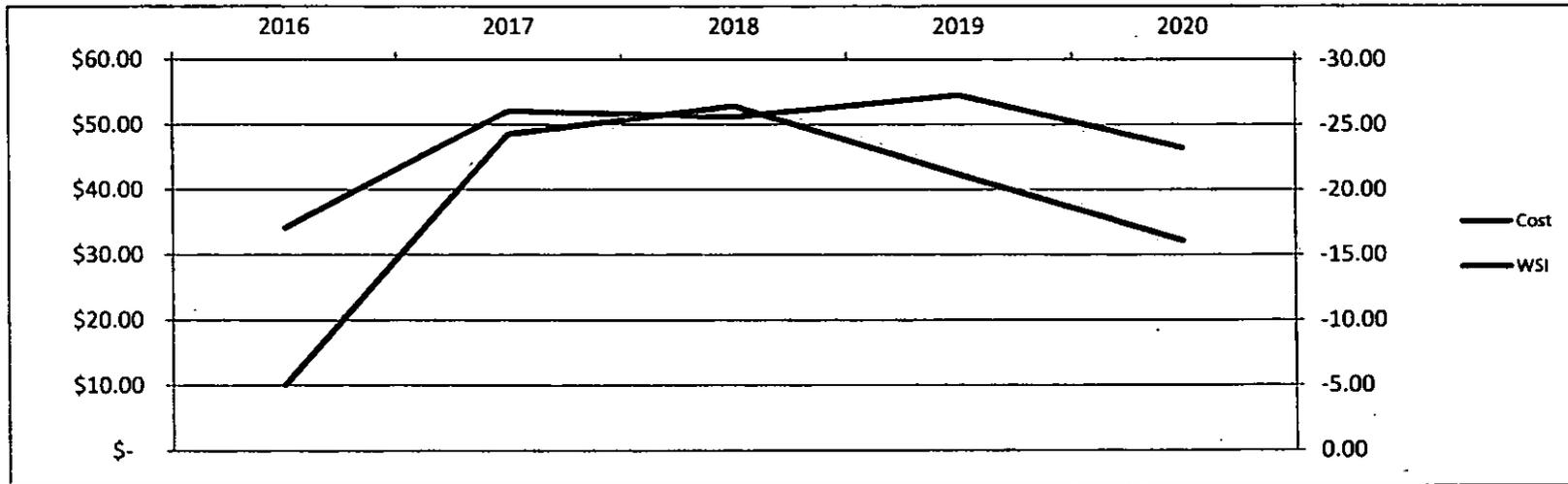
Attachments

**State of New Hampshire Department of Transportation
Historical Highway Funded Winter Maintenance
Fiscal Years 2016 - 2020 Actual vs 2022-2023 Budget**

	A	B	C	D	E	F	G	I	J	K	L
1	(In Millions)						3 Year	2021 Adj			FY22 Variance
2		2016	2017	2018	2019	2020	Average	Auth Budget	2022 Budget	2023 Budget	to 3 yr Avg
3	Incremental Personnel Costs	\$ 5.1	\$ 9.0	\$ 8.5	\$ 8.8	\$ 7.8	8.4	\$ 6.1	\$ 6.2	\$ 6.2	
4	Commodities	8.4	13.6	14.2	16.3	10.5	13.7	10.4	9.9	9.9	
5	Rented Equipment	5.2	9.3	9.2	8.7	8.8	8.9	8.4	8.5	8.5	
6	Utilities/Misc Support	1.0	0.9	1.1	1.1	1.0	1.1	1.4	1.4	1.5	
7	2928 Winter Maint. Total	19.7	32.8	33.0	34.9	28.1	32.0	26.3	26.0	26.1	(6.0)
13	Personnel Costs	10.8	14.6	14.4	15.7	14.4		14.8	14.8	14.8	
14	3007 Highway Maint. Total	10.8	14.6	14.4	15.7	14.4	14.8	14.8	14.8	14.8	(0.0)
15	State Equipment Usage	3.6	4.7	3.8	3.9	3.9		3.9	3.9	3.9	
16	Fuel										
17	Maintenance										
18	3005 Mechanical Svcs. Total	3.6	4.7	3.8	3.9	3.9	3.9	3.9	3.9	3.9	0.0
19	TOTAL	\$ 34.1	\$ 52.1	\$ 51.2	\$ 54.5	\$ 46.4	\$ 50.7	\$ 45.0	\$ 44.7	\$ 44.8	\$ (6.0)

22	Winter Severity Index (WSI)	-5.00	-24.27	-26.42	-21.15	-16.05	-21.21
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23 * WSI (winter severity index) is a formula that utilizes temperature and snow fall data.



State of New Hampshire-Dept of Administrative Services
 Audited Surplus Statement - Highway Fund
 Fiscal Years 2019/2020 Actual with 2020/2021 Budget

12/22/2020

(expressed in millions)

	Actual Per CAFR	Actual Per CAFR	Budget CofC*	Budget CofC*
	FY 2019	FY 2020	FY 2020	FY 2021
Undesignated Fund Balance, July 1 (Budgetary)	\$ 72.7	\$ 68.0	\$ 63.7	\$ 62.5
Additions:				
Unrestricted Revenue				
Gasoline Tax	129.8	119.8	130.2	132.3
Motor Vehicle Fees (actual includes Plea by Mail / Real ID)	122.1	128.8	120.2	114.9
Other	0.6	0.2	0.2	0.2
FY2020/2021: Plea-By-Mail Fines (Ch 262:44)			6.4	8.4
FY2020/2021: Real ID Fees (Ch 283:42)			0.4	0.5
Less: Cost of Collection, net of lapse-DOS	(26.2)	(28.0)	(31.8)	(32.2)
Other Credits (2020-HB 4 General Fund Transfer to Highway Fund \$3,983,000)	0.3	4.0	4.0	-
Total Additions	226.6	224.8	231.6	224.1
Deductions:				
Appropriations Net of Estimated Revenues-DOT	(207.1)	(230.1)	(221.8)	(230.0)
Appropriations Net of Estimated Revenues-DOS/Other	(34.2)	(33.4)	(35.7)	(38.3)
Appropriations Net of Estimated Revenue SUBTOTAL	(241.3)	(263.5)	(257.5)	(268.3)
Additional Appropriations:				
Transfer from Highway Surplus - Winter Maintenance	(11.1)	-		
Other Appropriation Adjustments	(0.5)	-		
Less Lapse:				
Lapse-DOT	20.1	37.8	12.5	12.5
Lapse-DOS/Other	3.3	3.3	1.5	1.5
Subtotal Lapse	23.4	41.1	14.0	14.0
Other (Debits)	(1.8)	(6.7)	0.7	0.7
Total Deductions	(231.3)	(229.1)	(242.8)	(251.6)
Current Year Activity	(4.7)	(4.3)	(11.2)	(27.5)
Total Fund Balance, June 30 (Budgetary)	68.0	63.7	52.5	25.0
GAAP and Other Adjustments	(27.4)	(27.8)	(24.0)	(24.0)
Undesignated Fund Balance, June 30 (GAAP)	40.6	35.9	28.5	1.0

* Per Committee of Conference surplus statement; adjusted to reflect CAFR beginning budgetary surplus balance and RSA 9:5 revenue estimates

Note: Budgetary balances and GAAP adjustments do not include bonds authorized/unissued.