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THE STATE OF NEW HAMPSHIRE DEPARTMENT OF TRANSPORTATION



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William Cass, P.E. Commissioner

David Rodrigue, P.E. Assistant Commissioner
Andre Briere, Colonel, USAF (RET) Deputy Commissioner

The Honorable Ken Weyler, Chairman
Fiscal Committee of the General Court and

Division of Operations
January 31, 2023

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 \$3,590,000 from the Highway Surplus Account to fund winter maintenance activities effective upon Fiscal Committee and Governor and Council approval through June 30, 2023. 100% Highway Funds.

Funds are to be budgeted as follows:

From: 04-096-096-960015-363615-0000 Highway Surplus Account \$3,590,000

Table with 4 columns: Account Number, Current Budget FY2023, Requested Change, Revised Budget FY2023. Rows include Winter Maintenance, Expenses, and various sub-accounts like FT Employees Special Payment, Overtime, Holiday Pay, etc., ending with a Total row.

	Current Budget FY2023	Requested Change	Revised Budget FY2023
<b>Source of Funds</b>			
<b>Revenue:</b>			
000-000015 Highway Funds	\$38,774,778	\$3,590,000	\$42,364,778
Total	\$38,774,778	\$3,590,000	\$42,364,778

### EXPLANATION

The Department requests authorization to transfer from the Highway Surplus Account, the amount of \$3,590,000 for winter maintenance activities and transfer funds between classes within winter maintenance. Specific explanations relating to the Department's spending requests are as follows:

#### Winter Maintenance (2928) 100% Highway Funds

Class 020 Increase Current Expense by \$1,000,000  
Class 022 Increase Rents-Leases Other than State by \$1,750,000  
Class 060 Increase Benefits by \$825,000  
Class 070 Increase In State Travel Reimbursement by \$15,000

For budgeting purposes, the Department estimates winter maintenance activities over a three-year average. Due to projected costs of winter maintenance, the expenditures in the above class lines for snow removal activities are anticipated to exceed the budget. Due to past increased rates for contract rented trucks and the high rate of vacancies within the Highway Maintenance bureau, it costs more and is necessary to use outside contractors more often to support the snow removal activities. Expenditures for salt also reflect increased material costs since the current budget was developed 2 years ago. The average per-ton cost for salt over the last three years is shown in the table below:

Fiscal Year	2021	2022	2023
Salt per ton cost	\$54.99	\$70.36	\$84.58
Percentage increase from prior year	--	27.95%	20.21%

These transfers will ensure that sufficient funds are available to pay vendors and contractors. 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 five years (2018–2022):

Fiscal Year	2018	2019	2020	2021	2022
Transfer Requested	\$10,197,000	\$11,126,400	\$7,310,000	\$4,992,900	\$3,945,000
Lapsed Funds related to Winter Maintenance Transfer Request	1,304,343	1,529,174	6,337,677	2,574,212	402,606
Transfer Funds Expended For Winter Maintenance Activities	\$ 8,892,657	\$9,597,226	\$972,323	\$2,418,688	\$3,542,394

See attached surplus schedule for available balance.

Your approval of this resolution is respectfully requested.

Sincerely,

A handwritten signature in black ink that reads "William Cass". The signature is written in a cursive style with a large, looping initial "W".

William Cass, P.E.  
Commissioner

Attachment

State of New Hampshire  
 Surplus Statement - Highway Fund

1/20/2023

Fiscal Years 2021 Actual/ 2022 Actual/2023 Adjusted Auth. Budget and 2024/2025 Agency Budget

(expressed in millions)

	Actual Per ACFR	Actual Per ACFR	Adj Auth Budget Forecast	Budget Agency	Budget Agency
	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
<b>Undesignated Fund Balance, July 1 (Budgetary)</b>	\$ 63.7	\$ 69.9	\$ 147.8	\$ 120.0	\$ 91.5
<b>Additions:</b>					
Unrestricted Revenue					
Gasoline Tax	118.4	124.1	124.3	125.0	125.6
Motor Vehicle Fees (actual includes Plea by Mail / Real ID)	130.0	133.3	133.4	133.6	133.5
Other	0.5	0.8	0.2	0.2	0.2
Less: Cost of Collection, net of lapse-DOS	(27.1)	(26.2)	(31.2)	(31.2)	(31.2)
Other Credits (FY21 \$8.1M and FY22 \$50M transfer per HB2 of 2021 session)	8.1	50.0	-	-	-
<b>Total Additions</b>	<b>229.9</b>	<b>282.0</b>	<b>226.7</b>	<b>227.6</b>	<b>228.1</b>
<b>Deductions:</b>					
Appropriations Net of Estimated Revenues-DOT	(230.5)	(190.5)	(224.6)	(232.8)	(232.8)
Appropriations Net of Estimated Revenues-DOS/Other	(34.3)	(35.5)	(38.8)	(38.8)	(38.8)
Misc Budget Adjustments (DoIT and pay raise)	-	-	(2.8)	-	-
<b>Appropriations Net of Estimated Revenue SUBTOTAL</b>	<b>(264.8)</b>	<b>(226.0)</b>	<b>(266.2)</b>	<b>(271.6)</b>	<b>(271.6)</b>
Additional Appropriations:					
Transfer from Highway Surplus - Winter Maintenance RSA 228:12	(5.0)	(3.4)	-	-	-
Transfer from Highway Surplus - Winter Maintenance Retention Bonus	-	-	(4.3)	-	-
Less Lapse:					
Lapse-DOT	41.3	24.0	13.5	13.0	13.5
Lapse-DOS/Other	6.8	0.2	4.0	4.0	4.0
<b>Subtotal Lapse</b>	<b>48.1</b>	<b>24.2</b>	<b>17.5</b>	<b>17.0</b>	<b>17.5</b>
Other (Debits)	(2.0)	1.1	(1.5)	(1.5)	(1.5)
<b>Total Deductions</b>	<b>(223.7)</b>	<b>(204.1)</b>	<b>(254.5)</b>	<b>(256.1)</b>	<b>(255.6)</b>
<b>Current Year Activity</b>	<b>6.2</b>	<b>77.9</b>	<b>(27.8)</b>	<b>(28.5)</b>	<b>(27.5)</b>
<b>Total Fund Balance, June 30 (Budgetary)</b>	<b>69.9</b>	<b>147.8</b>	<b>120.0</b>	<b>91.5</b>	<b>64.0</b>
GAAP and Other Adjustments	(34.6)	(36.1)	(22.5)	(25.0)	(25.0)
<b>Undesignated Fund Balance, June 30 (GAAP)</b>	<b>35.3</b>	<b>111.7</b>	<b>97.5</b>	<b>66.5</b>	<b>39.0</b>

\* Per Committee of Conference surplus statement for enacted '22-23 budget; adjusted to reflect CAFR beginning budgetary surplus balance

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