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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
March 6, 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 \$6,105,000 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 \$6,105,000

Table with 4 columns: Account Number, Current Budget FY2023, Requested Change, Revised Budget FY2023. Rows include Winter Maintenance Expenses and a Total row.

	Current Budget FY2023	Requested Change	Revised Budget FY2023
Source of Funds			
Revenue:			
000-000015 Highway Funds	\$42,364,778	\$6,105,000	\$48,469,778
Total	\$42,364,778	\$6,105,000	\$48,469,778

EXPLANATION

The Department requests authorization to transfer from the Highway Surplus Account, the amount of \$6,105,000 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 019 Increase Holiday Pay by \$5,000. This increase is to cover work on holidays, primarily for outside weather night patrol and radio dispatcher personnel.
- Class 020 Increase Current Expense by \$3,500,000. This increase is to cover increased anti-icing material usage during winter storm. The price per ton for salt has increased 53.8% since 2021.
- Class 022 Increase Rents-Leases Other than State by \$2,500,000. This increase is requested to cover use of outside contractors in assisting with snow removal activities due to the high vacancy levels within the Highway Maintenance bureau.
- Class 023 Increase Heat, Electricity, Water by \$100,000. This increase is to cover increased cost of electricity and heating oil in Highway Maintenance facilities statewide.

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 two years ago. The average per-ton cost for salt has increased 53.8% since the FY 2023 budget was approved.

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 (2019-2023):

Fiscal Year	2019	2020	2021	2022	2023
Transfer Requested	\$11,126,400	\$7,310,000	\$4,992,900	\$3,945,000	\$9,695,000
Lapsed Funds related to Winter Maintenance Transfer Request	1,529,174	6,337,677	2,574,212	402,606	TBD
Transfer Funds Expended For Winter Maintenance Activities	\$9,597,226	\$972,323	\$2,418,688	\$3,542,394	\$9,695,000

See attached surplus schedule for available balance.

Your approval of this resolution is respectfully requested.

Sincerely,



William Cass, P.E.
Commissioner

Attachment

**COMPARATIVE STATEMENT OF UNDESIGNATED SURPLUS
HIGHWAY FUND
(Expressed in millions of dollars)**

	Actual	Projected	Governor's Recommended	
	FY 2022	FY 2023	FY 2024	FY 2025
Undesignated Fund Balance, July 1 (Budgetary)	69.9	147.8	119.9	82.3
Additions:				
Unrestricted Revenue				
Gasoline Tax	124.1	121.8	124.8	125.4
Motor Vehicle Fees	133.3	131.5	133.8	133.7
Other	0.8	0.2	0.2	0.2
Total Unrestricted Revenue	258.2	253.5	258.8	259.3
Less: Cost of Collections (Dept of Safety)	(26.2)	(31.2)	(34.7)	(35.6)
Transfer in from General Fund (HB2)	50.0			
Total Additions	282.0	222.3	224.1	223.7
Deductions:				
Appropriations Net of Estimated Revenues - Transportation	(190.5)	(226.8)	(237.3)	(241.0)
Appropriations Net of Estimated Revenues - Safety	(33.5)	(37.4)	(39.2)	(40.2)
Appropriations Net of Estimated Revenues - Judiciary	(2.0)	(2.0)	(2.0)	(2.0)
Appropriations Net of Estimated Revenue SUBTOTAL	(226.0)	(266.2)	(278.5)	(283.2)
Additional Appropriations:				
Transfer from Highway Surplus - Winter Maintenance RSA 228:12	(3.4)			
HB2- Additional Appropriation for Pay Raise			(9.3)	(11.3)
Less Lapses	24.2	17.5	27.6	28.1
Other (Debits)/Credits	1.1	(1.5)	(1.5)	(1.5)
Total Deductions	(204.1)	(250.2)	(261.7)	(267.9)
Current Year Activity	77.9	(27.9)	(37.6)	(44.2)
Total Fund Balance, June 30 (Budgetary)	147.8	119.9	82.3	38.1
GAAP and Other Adjustments	(36.1)	(22.5)	(25.0)	(25.0)
Undesignated Fund Balance, June 30 (GAAP)	111.7	97.4	57.3	13.1