



State of New Hampshire

DEPARTMENT OF ADMINISTRATIVE SERVICES

25 Capitol Street - Room 120
Concord, New Hampshire 03301
(603) 271-3201 | Office@das.nh.gov

157
MLC

Charles M. Arlinghaus
Commissioner

Catherine A. Keane
Deputy Commissioner

Sheri L. Rockburn
Assistant Commissioner

August 18, 2023

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

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

REQUESTED ACTION

Pursuant to RSA 21-I:42, VI(e), the Department of Administrative Services (DAS) is submitting and seeking approval of expenditures under the Winter Maintenance Employee Retention Incentive Program, on behalf of the Department of Transportation, funded by Highway and Turnpike Funds, as detailed below:

- Pursuant to RSA 228:12, authorize the Department of Administrative Services, on behalf of the Department of Transportation, to transfer \$4,145,000 from the Highway Surplus Account to support the Winter Maintenance Employee Retention Incentive Program. 100% Highway Funds.
- Pursuant to RSA 237:15-a, authorize the Department of Administrative Services, on behalf of the Department of Transportation, to transfer \$713,500 from the Turnpike General Reserve Account to support the Winter Maintenance Employee Retention Incentive Program. 100% Turnpike Funds.

The above requests are effective upon the approval of the Fiscal Committee and the Governor and Executive Council through June 30, 2024.

Funds are to be budgeted in FY2024 as follows:

04-096-096-960515-2928	Current Budget FY2024	Requested Change	Revised Budget FY2024
Winter Maintenance			
Expenses:			
017 500147 FT Employees Special Payment	\$547,680	\$2,800,000	\$3,347,680
018 500106 Overtime	5,070,366	0	5,070,366
019 500105 Holiday Pay	40,000	0	40,000
020 500200 Current Expense	13,306,102	0	13,306,102
022 500257 Rents-Leases Other than State	8,706,885	0	8,706,885
023 500291 Heat, Electricity, Water	967,000	0	967,000
024 500225 Maint. Other than Bldg-Grounds	205,995	0	205,995
030 500311 Equipment New Replacement	1,012,854	0	1,012,854
037 500174 Technology-Hardware	115,780	0	115,780
038 500175 Technology-Software	25,100	0	25,100
039 500180 Telecommunications	169,000	0	169,000
047 500240 Own Forces Maint Bldgs & Grnds	10,000	0	10,000
048 500226 Contractual Maint Bldgs & Grnds	51,143	0	51,143
049 584914 Class 049 Interagency 014 Expense	0	300,000	300,000
050 500109 Personal Service Temp	189,450	125,000	314,450
060 500601 Benefits	1,242,102	920,000	2,162,102
070 500704 In-State Travel Reimbursement	150,291	0	150,291
103 500741 Contracts for Op Services	136,111	0	136,111
Total	\$31,945,859	\$4,145,000	\$36,090,859
Source of Funds			
Revenue:			
000-000015 Highway Funds	\$31,945,859	\$4,145,000	\$36,090,859
Total	\$31,945,859	\$4,145,000	\$36,090,859

04-096-096-961017-7022	Current Budget FY2024	Requested Change	Revised Budget FY2024
Administration - Support			
Expenses:			
010 500100 Personal Services - Perm	\$2,591,119	\$0	\$2,591,119
017 500147 FT Employees Special Payment	6,500	15,000	21,500
018 500106 Overtime	155,000	0	155,000
019 500105 Holiday Pay	2,500	0	2,500
020 500200 Current Expense	364,000	0	364,000
022 500255 Rents-Leases Other than State	10,557	0	10,557
023 500291 Heat, Electricity, Water	10,500	0	10,500
024 500225 Maint. Other than Bldg-Grounds	3,679	0	3,679
026 500251 Organizational Dues	45,000	0	45,000
029 500290 Intra-Agency Transfers	3,114,936	0	3,114,936

04-096-096-961017-7022	Current Budget FY2024	Requested Change	Revised Budget FY2024
030 500311 Equipment New Replacement	35,000	0	35,000
037 500171 Technology-Hardware	57,047	0	57,047
038 500175 Technology-Software	2,000	0	2,000
039 500188 Telecommunications	72,000	0	72,000
040 501587 Indirect Costs	2,673,035	0	2,673,035
046 500464 Consultants	1,863,691	0	1,863,691
047 500240 Own Forces Maint Bldgs & Grnds	4,000	0	4,000
048 500226 Contractual Maint Bldgs & Grnds	4,000	0	4,000
049 584923 Transfer to Other State Agency	133,279	160,000	293,279
050 500109 Personal Service Temp	80,000	0	80,000
057 500534 Books Periodicals Subscription	1,000	0	1,000
060 500601 Benefits	1,604,745	5,250	1,609,995
066 500543 Employee Training	22,525	0	22,525
068 500562 Remuneration	5,000	0	5,000
069 500567 Promotional Marketing Expense	7,000	0	7,000
070 500704 In-State Travel Reimbursement	800	0	800
080 500710 Out of State Travel Reimbursement	5,000	0	5,000
103 500741 Contracts for Op Services	18,000	0	18,000
211 501530 Catastrophic Casualty Insurance	51,248	0	51,248
255 500949 Cost of Issuing Bonds	60,000	0	60,000
403 500878 Audit	120,000	0	120,000
Total	\$13,123,161	\$180,250	\$13,303,411
Source of Funds			
Revenue:			
000-000017 Turnpike Fund	\$13,123,161	\$180,250	\$13,303,411
Total	\$13,123,161	\$180,250	\$13,303,411

04-096-096-961017-7027	Current Budget FY2024	Requested Change	Revised Budget FY2024
Central Maintenance			
Expenses:			
010 500100 Personal Services – Perm	\$1,214,021	\$0	\$1,214,021
017 500147 FT Employees Special Payment	45,600	175,000	220,600
018 500106 Overtime	375,001	0	375,001
019 500105 Holiday Pay	4,000	0	4,000
020 500200 Current Expense	920,744	0	920,744
022 500257 Rents-Leases Other than State	800,000	0	800,000
023 500291 Heat, Electricity, Water	289,500	0	289,500
024 500225 Maint. Other than Bldg-Grounds	29,394	0	29,394
030 500311 Equipment New Replacement	1,518,529	0	1,518,529
037 500174 Technology-Hardware	18,005	0	18,005
038 500175 Technology-Software	1,000	0	1,000

04-096-096-961017-7027	Current Budget FY2024	Requested Change	Revised Budget FY2024
039 500180 Telecommunications	15,000	0	15,000
047 500240 Own Forces Maint Bldgs & Grnds	11,000	0	11,000
048 500226 Contractual Maint Bldgs & Grnds	148,490	0	148,490
050 500109 Personal Service Temp	25,000	0	25,000
060 500601 Benefits	958,876	61,250	1,020,126
068 500562 Remuneration	1,000	0	1,000
070 500704 In-State Travel Reimbursement	8,000	0	8,000
103 500741 Contracts for Op Services	105,671	0	105,671
400 500870 Construction Repair Materials	193,681	0	193,681
406 500882 Environmental Expenses	100,000	0	100,000
Total	\$6,782,512	\$236,250	\$7,018,762
Source of Funds			
Revenue:			
009 403669 Sponsorship Fee	\$85,213	\$0	\$85,213
000-000017 Turnpike Fund	6,697,299	236,250	6,933,549
Total	\$6,782,512	\$236,250	\$7,018,762

04-096-096-961017-7032	Current Budget FY2024	Requested Change	Revised Budget FY2024
East NH TPK-Blue-Star Maintenance			
Expenses:			
010 500100 Personal Services – Perm	\$531,651	\$0	\$531,651
017 500147 FT Employees Special Payment	18,000	95,000	113,000
018 500106 Overtime	155,000	0	155,000
019 500105 Holiday Pay	2,500	0	2,500
020 500200 Current Expense	324,554	0	324,554
022 500255 Rents-Leases Other than State	300,000	0	300,000
023 500291 Heat, Electricity, Water	277,500	0	277,500
024 500225 Maint. Other than Bldg-Grounds	153,981	0	153,981
030 500311 Equipment New Replacement	1,219,062	0	1,219,062
037 500171 Technology-Hardware	6,252	0	6,252
038 500175 Technology-Software	1,000	0	1,000
039 500188 Telecommunications	12,000	0	12,000
047 500240 Own Forces Maint Bldgs & Grnds	9,000	0	9,000
048 500226 Contractual Maint Bldgs & Grnds	94,648	0	94,648
050 500109 Personal Service Temp	10,000	0	10,000
060 500601 Benefits	400,965	33,250	434,215
068 500562 Remuneration	1,000	0	1,000
070 500704 In-State Travel Reimbursement	3,200	0	3,200
103 500741 Contracts for Op Services	31,050	0	31,050
400 500870 Construction Repair Materials	26,635	0	26,635
406 500882 Environmental Expenses	500	0	500

04-096-096-961017-7032	Current Budget FY2024	Requested Change	Revised Budget FY2024
Total	\$3,578,498	\$128,250	\$3,706,748
Source of Funds			
Revenue:			
009 403669 Sponsorship Fee	\$42,598	\$0	\$42,598
000-000017 Turnpike Fund	3,535,900	128,250	3,664,150
Total	\$3,578,498	\$128,250	\$3,706,748

04-096-096-961017-7037	Current Budget FY2024	Requested Change	Revised Budget FY2024
East NH TPK Spaulding Maintenance			
Expenses:			
010 500100 Personal Services – Perm	\$823,984	\$0	\$823,984
017 500147 FT Employees Special Payment	30,600	125,000	155,600
018 500106 Overtime	200,000	0	200,000
019 500105 Holiday Pay	2,500	0	2,500
020 500200 Current Expense	681,596	0	681,596
022 500255 Rents-Leases Other than State	350,000	0	350,000
023 500291 Heat, Electricity, Water	179,750	0	179,750
024 500225 Maint. Other than Bldg-Grounds	20,902	0	20,902
030 500311 Equipment New Replacement	951,272	0	951,272
037 500171 Technology-Hardware	14,484	0	14,484
038 500175 Technology-Software	1,000	0	1,000
039 500188 Telecommunications	90,000	0	90,000
047 500240 Own Forces Maint Bldgs & Grnds	5,000	0	5,000
048 500226 Contractual Maint Bldgs & Grnds	102,636	0	102,636
050 500109 Personal Service Temp	25,600	0	25,600
060 500601 Benefits	732,849	43,750	776,599
068 500562 Remuneration	1,000	0	1,000
070 500704 In-State Travel Reimbursement	4,000	0	4,000
103 500741 Contracts for Op Services	56,400	0	56,400
400 500870 Construction Repair Materials	126,394	0	126,394
406 500882 Environmental Expenses	500	0	500
Total	\$4,400,467	\$168,750	\$4,569,217
Source of Funds			
Revenue:			
009 403669 Sponsorship Fee	\$85,197	\$0	\$85,197
000-000017 Turnpike Fund	4,315,270	\$168,750	4,484,020
Total	\$4,400,467	\$168,750	\$4,569,217

EXPLANATION

RSA 21-I:42,VI, as amended by HB 2 (Laws of 2023), authorizes DAS to develop programs for the recruitment and retention of qualified applicants in State service subject to the approval of the Fiscal Committee, prior to implementing such programs. RSA 21-I:42,VI(e), further requires any expenditures for recruitment or retention incentives or bonuses be approved by the Fiscal Committee. The funding to support the program, as further described below, necessitates transfers from the Highway Surplus and Turnpike General Reserve Account, which requires approval by both Fiscal Committee and the Governor and Executive Council.

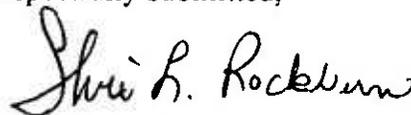
The purpose of this request is to obtain the required approval of retentive incentive expenditures to be made under the reauthorization of the Winter Maintenance Employee Retention Incentive Program. The policy allowing incentive payments for Winter Maintenance eligible personnel was submitted under a separate Fiscal item for approval under RSA 21-I:42,VI. This request, contingent upon the Winter Maintenance Policy being approved, is to obtain the required expenditure approval under subsection (e) under RSA 21-I:42,VI and to obtain approval under RSA 228:112 to transfer funds from the Highway Surplus and under RSA 237:15-a to transfer funds from the Turnpike General Reserve Account as the source of funds for this winter incentive payment. The Commissioner of Transportation has provided additional information, attached to this request, to support the use of the additional funds. The incentive will provide \$5,000 per eligible employee, and will be paid in 2 installments at the beginning and end of the winter maintenance period.

This request for approval and funding is to ensure DOT can maintain current service and road safety level. It is anticipated that renewing this program will again become a critical tool for the Department of Transportation during the upcoming 2023-2024 winter. The table below summarizes the total request.

Agency	Initiative	Funding Request	Amount
Transportation	Retention for Winter Maintenance personnel	Transfer from Highway Surplus	\$4,145,000
Transportation	Retention for Winter Maintenance personnel	Transfer from Turnpike General Reserve Account	\$713,500
TOTAL Requested			\$4,858,500

In the event that Highway and Turnpike Funds are no longer available, General Funds will not be requested to support this program and this program would terminate. The Department of Administrative Services requests approval of this request.

Respectfully submitted,



For Charles M. Arlinghaus
Commissioner



*William Cass, P.E.
Commissioner*

THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



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

August 1, 2023

Commissioner Charlie Arlinghaus
Department of Administrative Services
25 Capitol St, Room 120 Concord, NH 03301

Dear Commissioner Arlinghaus,

Pursuant to RSA 21-I:42, VI, as amended by HB 2 (Laws of 2023), the Department of Transportation is requesting that the Department of Administrative Services (DAS), Division of Personnel (DOP), renew and implement an Employee Retention Incentive Program for Employees who support the Department of Transportation's Winter Maintenance Activities, effective upon approval by the Fiscal Committee.

RSA 21-I:42, VI, as amended by HB 2 (Laws of 2023), authorizes DAS-DOP to develop programs for the recruitment and retention of qualified applicants in State service. Under the statute, DAS-DOP is required to obtain the approval of the Fiscal Committee prior to developing or implementing such programs.

Specifically, the Department of Transportation wishes to re-implement an Employee Retention Incentive Program for employees who support Winter Maintenance Activities. This program would allow the discretionary retention payment to a specified group of state workers employed in a qualifying position during the defined winter maintenance period.

The DAS-DOP policies detailing the eligibility criteria and procedures to implement this program are attached and have not changed from the 2022-2023 program.

Pursuant to RSA 21-I:42, VI, as amended by HB 2 (Laws of 2023), expenditures under the Employee Retention Incentive Program must be separately approved by the Fiscal Committee. Qualifying employees will receive half of the retention incentive payment in the subsequent paycheck following the start of the winter maintenance retention period and the approval of the employee to perform winter maintenance duties. The balance of the retention payment will be made in the subsequent paycheck following completion of the defined winter maintenance retention period.

The Winter Maintenance Employee Retention Program (WMERP) is aimed at reducing the turnover of state employees who provide critical winter maintenance activities and to incentivize employees from other State agencies who hold Commercial Drivers Licenses (CDL's) to assist with winter maintenance.

Over the last two years, the turnover rate, or loss of state employees, as well as the number of vacant positions across DOT winter maintenance, has increased dramatically. As of August 2022 (when the first iteration of this program was approved), NHDOT's department-wide vacancy rate for all positions was 24%, with winter maintenance staffing at a 25.66% vacancy rate with 176 positions vacant. As of

August 1, 2023, winter vacancies are worse than one year ago at 28% with 192 positions vacant. This stands in contrast to 2020, when the overall department vacancy rate was 10%. Many individual sections and work units far exceed the current 28% rate, with two of our maintenance districts serving southern and central New Hampshire exceeding 40% vacancy. This level of position vacancies is considered a critical detriment to the ability to maintain levels of service during this upcoming winter season. Increased competition in the labor market is adding to the challenge to recruit and retain good candidates.

This program was very successful during the 2022-2023 Winter Maintenance Period. WMERP increased the number of winter maintenance volunteers from 34 in 2021, to 108 in 2022-2023. It is not an exaggeration to say that this level of volunteerism allowed NHDOT to continue its current level of winter maintenance for the citizens of New Hampshire. We anticipate that renewal of this program will be a critical tool for the Department during the upcoming 2023-2024 winter maintenance period.

The Department of Administrative Services requests approval of this request.

Sincerely,



William Cass, P.E.
Commissioner

Attachments

State of New Hampshire Employee Retention Incentive Program
State of New Hampshire Winter Maintenance Employee Retention Incentive Program
Sample MOA
G&C and Fiscal items



THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



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
 July 26, 2023

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

REQUESTED ACTION

Pursuant to the Division of Personnel (DOP) Winter Maintenance Employee Retention Program Policy, RSA 21-I:42, VI, as amended by HB2 (Laws of 2023) and RSA 228:12, authorize the Department of Transportation to transfer \$4,145,000 from the Highway Surplus Account to support the Winter Maintenance Employee Retention Program (WMERP) effective upon Fiscal Committee and Governor and Council approval through June 30, 2024. 100% Highway Funds.

Funds are to be budgeted as follows:

From: 04-096-096-960015-363615-0000 Highway Surplus Account \$4,145,000

04-096-096-960515-2928	Current Budget FY2024	Requested Change	Revised Budget FY2024
Winter Maintenance			
Expenses:			
017 500147 FT Employees Special Payment	\$547,680	\$2,800,000	\$3,347,680
018 500106 Overtime	5,070,366	0	5,070,366
019 500105 Holiday Pay	40,000	0	40,000
020 500200 Current Expense	13,306,102	0	13,306,102
022 500257 Rents-Leases Other than State	8,706,885	0	8,706,885
023 500291 Heat, Electricity, Water	967,000	0	967,000
024 500225 Maint. Other than Bldg-Grounds	205,995	0	205,995
030 500311 Equipment New Replacement	1,012,854	0	1,012,854
037 500174 Technology-Hardware	115,780	0	115,780
038 500175 Technology-Software	25,100	0	25,100
039 500180 Telecommunications	169,000	0	169,000
047 500240 Own Forces Maint Bldgs & Grnds	10,000	0	10,000
048 500226 Contractual Maint Bldgs & Grnds	51,143	0	51,143
049 584914 Class 049 Interagency 014 Expense	0	300,000	300,000
050 500109 Personal Service Temp	189,450	125,000	314,450
060 500601 Benefits	1,242,102	920,000	2,162,102
070 500704 In-State Travel Reimbursement	150,291	0	150,291
103 500741 Contracts for Op Services	136,111	0	136,111
Total	\$31,945,859	\$4,145,000	\$36,090,859

04-096-096-960515-2928	Current Budget FY2024	Requested Change	Revised Budget FY2024
Source of Funds			
Revenue:			
000-000015 Highway Funds	\$31,945,859	\$4,145,000	\$36,090,859
Total	\$31,945,859	\$4,145,000	\$36,090,859

EXPLANATION

RSA 21-I:42, VI, as amended by HB2 (Laws of 2023), authorized DAS-DOP to develop programs for the recruitment and retention of qualified applicants in State service. Under the statute, DOP is required to obtain the approval of the Fiscal Committee prior to developing or implementing such programs. In November 2022, the Fiscal Committee approved the Winter Maintenance Employee Retention Program, pursuant to RSA 21-I:42, VI (Agenda Item FIS 22-319 9/9/2022, and amended by FIS 22-427 11/18/2022). For FY2023, DAS-DOP has submitted an item to Fiscal Committee requesting approval to amend the DOT Winter Maintenance Employee Retention Program. This transfer request is contingent on the Fiscal Committee's approval of this amended policy.

RSA 21-I:42, VI, as amended by HB2 (Laws of 2023), further requires any expenditures for recruitment or retention incentives or bonuses to be approved by the Fiscal Committee. The purpose of this request is to obtain the required approval to transfer funds from the Highway Fund surplus for the incentives outlined in the Winter Maintenance Employee Retention Program.

The Winter Maintenance Employee Retention Program is aimed at mitigating the turnover of state employees who provide critical winter maintenance activities and to incentivize employees from other State agencies with Commercial Drivers Licenses (CDLs) to assist with winter maintenance. Over the last few years, the turnover rate, as well as the number of vacant positions across DOT winter maintenance, continues to climb. As of August 2022, DOT's department-wide vacancy rate for all positions was 24%, with maintenance staffing vacancies at 25.7% with 176 positions vacant. As of August 2023, maintenance vacancies have increased to 28% with 192 positions vacant. For comparison, in 2020 the overall Department vacancy rate was 10%. High vacancy rates impede the Department's ability to maintain expected service levels. This is particularly crucial during the winter season.

This program was very successful during the 2022-2023 winter maintenance period. Volunteers increased in number from 34 in 2021 to 108 in 2022-2023. This increase allowed DOT to maintain current service and road safety level. It is anticipated that renewing this program will again become a critical tool for the Department during the upcoming 2023-2024 winter.

In order to fund the Winter Maintenance Employee Retention Program, the Department requests authorization to transfer \$4,145,000 from the Highway Surplus Account. Details relating to the Department's spending requests are as follows:

Winter Maintenance (2928) 100% Highway Funds

Class 017	Increase FT Employees Special Payment by \$2,800,000
Class 049	Increase Transfer to Other State Agencies by \$300,000
Class 050	Increase Personal Service Temp by \$125,000
Class 060	Increase Benefits by \$920,000

The Department is estimating the number of Winter Maintenance personnel to be 590, at \$5,000 per person for a total of \$2,950,000 plus benefits. This includes stipends for full-time (Class 17), part-time (Class 50) and other State employees (Class 49). The break down between DOT personnel and those from other agencies is estimated and could change depending on interest in the program.

See attached surplus schedule for available highway fund balance.

Your approval of this resolution is respectfully requested.

Sincerely,

A handwritten signature in cursive script that reads "William J. Cass".

William J. Cass, P.E.
Commissioner

Attachment

State of New Hampshire

7/29/2023

Surplus Statement - Highway Fund

Fiscal Years 2021-2022 Actual 2023 Adj Auth Budget and 2024/2025 Approved Budget

(expressed in millions)

Actual Actual Adj Auth Budget Budget Budget
Per ACFR Per ACFR Budget ⁽¹⁾⁽²⁾ Approved ⁽²⁾ Approved ⁽²⁾

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Undesignated Fund Balance, July 1 (Budgetary)	\$ 63.7	\$ 69.9	\$ 147.8	\$ 120.2	\$ 80.4
Additions:					
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	133.2	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)	(31.5)	(34.0)	(34.5)
Other Credits (FY21 \$8.1M; FY22 \$50M and FY23 \$10M)	8.1	50.0	10.0	-	-
Total Additions	229.9	282.0	236.2	224.8	224.8
Deductions:					
Appropriations Net of Estimated Revenues-DOT	(230.5)	(190.5)	(224.6)	(237.8)	(241.4)
Appropriations Net of Estimated Revenues-DOS/Other	(34.3)	(35.5)	(38.8)	(42.3)	(45.6)
Payroll Increase - FY 24-25				(9.3)	(11.3)
Misc Budget Adjustments			(2.3)		
Appropriations Net of Estimated Revenue SUBTOTAL	(264.8)	(226.0)	(265.7)	(289.4)	(298.3)
Additional Appropriations:					
Transfer from Highway Surplus - Winter Maintenance RSA 228:12	(5.0)	(3.4)	(9.7)		
Transfer from Highway Surplus - Winter Maintenance Retention Bonus			(4.3)		
Less Lapse ⁽³⁾:					
Lapse-DOT ⁽⁴⁾	41.3	24.0	13.5	22.3	22.8
Lapse-DOS/Other	6.8	0.2	4.0	4.0	4.0
Subtotal Lapse	48.1	24.2	17.5	26.3	26.8
Other (Debits)	(2.0)	1.1	(1.6)	(1.5)	(1.5)
Total Deductions	(223.7)	(204.1)	(263.8)	(264.6)	(273.0)
Current Year Activity	6.2	77.9	(27.6)	(39.8)	(48.2)
Total Fund Balance, June 30 (Budgetary)	69.9	147.8	120.2	80.4	32.2
GAAP and Other Adjustments	(34.6)	(36.1)	(22.5)	(25.0)	(25.0)
Undesignated Fund Balance, June 30 (GAAP)	35.3	111.7	97.7	55.4	7.2

Notes

⁽¹⁾ Actual FY 2023 data to be available once ACFR is published. Adjusted authorized budget used.

⁽²⁾ Source: https://www.gencourt.state.nh.us/LBA/Budget/operating_budgets/2024-2025/House_Finance/Highway%20Surplus%204-6-23.pdf

⁽³⁾ DOT Highway Fund lapse for FY 2023 is estimated to be \$44.7M. This is not represented in this grid.

⁽⁴⁾ Lapse split between agencies unknown at the time this chart was developed. Assumed 100% increase in lapse targets belongs to DOT.



William Cass, P.E.
Commissioner

THE STATE OF NEW HAMPSHIRE
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 July 26, 2023

His Excellency, Governor Christopher T. Sununu
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 State House
 Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to the Division of Personnel (DOP) Winter Maintenance Employee Retention Program Policy, RSA 21-I:42, VI, as amended by HB2 (Laws of 2023) and RSA 237:15-a, Transfers from the General Reserve Account, authorize the Department of Transportation to transfer \$713,500 from the Turnpike General Reserve Account to budget and expend revenue to support the Winter Maintenance Employee Retention Program (WMERP) effective upon Fiscal Committee and Governor and Council approval through June 30, 2024. 100% Turnpike Funds.

Funds are to be budgeted as follows:

From: 04-096-096-961017-363615-0000 Turnpike Fund Balance \$713,500

04-096-096-961017-7022	Current Budget FY2024	Requested Change	Revised Budget FY2024
Administration - Support			
Expenses:			
010 500100 Personal Services – Perm	\$2,591,119	\$0	\$2,591,119
017 500147 FT Employees Special Payment	6,500	15,000	21,500
018 500106 Overtime	155,000	0	155,000
019 500105 Holiday Pay	2,500	0	2,500
020 500200 Current Expense	364,000	0	364,000
022 500255 Rents-Leases Other than State	10,557	0	10,557
023 500291 Heat, Electricity, Water	10,500	0	10,500
024 500225 Maint. Other than Bldg-Grounds	3,679	0	3,679
026 500251 Organizational Dues	45,000	0	45,000
029 500290 Intra-Agency Transfers	3,114,936	0	3,114,936
030 500311 Equipment New Replacement	35,000	0	35,000
037 500171 Technology-Hardware	57,047	0	57,047
038 500175 Technology-Software	2,000	0	2,000
039 500188 Telecommunications	72,000	0	72,000
040 501587 Indirect Costs	2,673,035	0	2,673,035
046 500464 Consultants	1,863,691	0	1,863,691
047 500240 Own Forces Maint Bldgs & Grnds	4,000	0	4,000
048 500226 Contractual Maint Bldgs & Grnds	4,000	0	4,000

04-096-096-961017-7022	Current Budget FY2024	Requested Change	Revised Budget FY2024
049 584923 Transfer to Other State Agency	133,279	160,000	293,279
050 500109 Personal Service Temp	80,000	0	80,000
057 500534 Books Periodicals Subscription	1,000	0	1,000
060 500601 Benefits	1,604,745	5,250	1,609,995
066 500543 Employee Training	22,525	0	22,525
068 500562 Remuneration	5,000	0	5,000
069 500567 Promotional Marketing Expense	7,000	0	7,000
070 500704 In-State Travel Reimbursement	800	0	800
080 500710 Out of State Travel Reimbursement	5,000	0	5,000
103 500741 Contracts for Op Services	18,000	0	18,000
211 501530 Catastrophic Casualty Insurance	51,248	0	51,248
255 500949 Cost of Issuing Bonds	60,000	0	60,000
403 500878 Audit	120,000	0	120,000
Total	\$13,123,161	\$180,250	\$13,303,411
Source of Funds			
Revenue:			
000-000017 Turnpike Fund	\$13,123,161	\$180,250	\$13,303,411
Total	\$13,123,161	\$180,250	\$13,303,411

04-096-096-961017-7027	Current Budget FY2024	Requested Change	Revised Budget FY2024
Central Maintenance			
Expenses:			
010 500100 Personal Services – Perm	\$1,214,021	\$0	\$1,214,021
017 500147 FT Employees Special Payment	45,600	175,000	220,600
018 500106 Overtime	375,001	0	375,001
019 500105 Holiday Pay	4,000	0	4,000
020 500200 Current Expense	920,744	0	920,744
022 500257 Rents-Leases Other than State	800,000	0	800,000
023 500291 Heat, Electricity, Water	289,500	0	289,500
024 500225 Maint. Other than Bldg-Grounds	29,394	0	29,394
030 500311 Equipment New Replacement	1,518,529	0	1,518,529
037 500174 Technology-Hardware	18,005	0	18,005
038 500175 Technology-Software	1,000	0	1,000
039 500180 Telecommunications	15,000	0	15,000
047 500240 Own Forces Maint Bldgs & Grnds	11,000	0	11,000
048 500226 Contractual Maint Bldgs & Grnds	148,490	0	148,490
050 500109 Personal Service Temp	25,000	0	25,000
060 500601 Benefits	958,876	61,250	1,020,126
068 500562 Remuneration	1,000	0	1,000
070 500704 In-State Travel Reimbursement	8,000	0	8,000
103 500741 Contracts for Op Services	105,671	0	105,671

04-096-096-961017-7027	Current Budget FY2024	Requested Change	Revised Budget FY2024
400 500870 Construction Repair Materials	193,681	0	193,681
406 500882 Environmental Expenses	100,000	0	100,000
Total	\$6,782,512	\$236,250	\$7,018,762
Source of Funds			
Revenue:			
009 403669 Sponsorship Fee	\$85,213	\$0	\$85,213
000-000017 Turnpike Fund	6,697,299	236,250	6,933,549
Total	\$6,782,512	\$236,250	\$7,018,762

04-096-096-961017-7032	Current Budget FY2024	Requested Change	Revised Budget FY2024
East NH TPK Blue Star Maintenance			
Expenses:			
010 500100 Personal Services – Perm	\$531,651	\$0	\$531,651
017 500147 FT Employees Special Payment	18,000	95,000	113,000
018 500106 Overtime	155,000	0	155,000
019 500105 Holiday Pay	2,500	0	2,500
020 500200 Current Expense	324,554	0	324,554
022 500255 Rents-Leases Other than State	300,000	0	300,000
023 500291 Heat, Electricity, Water	277,500	0	277,500
024 500225 Maint. Other than Bldg-Grounds	153,981	0	153,981
030 500311 Equipment New Replacement	1,219,062	0	1,219,062
037 500171 Technology-Hardware	6,252	0	6,252
038 500175 Technology-Software	1,000	0	1,000
039 500188 Telecommunications	12,000	0	12,000
047 500240 Own Forces Maint Bldgs & Grnds	9,000	0	9,000
048 500226 Contractual Maint Bldgs & Grnds	94,648	0	94,648
050 500109 Personal Service Temp	10,000	0	10,000
060 500601 Benefits	400,965	33,250	434,215
068 500562 Remuneration	1,000	0	1,000
070 500704 In-State Travel Reimbursement	3,200	0	3,200
103 500741 Contracts for Op Services	31,050	0	31,050
400 500870 Construction Repair Materials	26,635	0	26,635
406 500882 Environmental Expenses	500	0	500
Total	\$3,578,498	\$128,250	\$3,706,748
Source of Funds			
Revenue:			
009 403669 Sponsorship Fee	\$42,598	\$0	\$42,598
000-000017 Turnpike Fund	3,535,900	128,250	3,664,150
Total	\$3,578,498	\$128,250	\$3,706,748

04-096-096-961017-7037	Current Budget FY2024	Requested Change	Revised Budget FY2024
East NH TPK Spaulding Maintenance			
Expenses:			
010 500100 Personal Services – Perm	\$823,984	\$0	\$823,984
017 500147 FT Employees Special Payment	30,600	125,000	155,600
018 500106 Overtime	200,000	0	200,000
019 500105 Holiday Pay	2,500	0	2,500
020 500200 Current Expense	681,596	0	681,596
022 500255 Rents-Leases Other than State	350,000	0	350,000
023 500291 Heat, Electricity, Water	179,750	0	179,750
024 500225 Maint. Other than Bldg-Grounds	20,902	0	20,902
030 500311 Equipment New Replacement	951,272	0	951,272
037 500171 Technology-Hardware	14,484	0	14,484
038 500175 Technology-Software	1,000	0	1,000
039 500188 Telecommunications	90,000	0	90,000
047 500240 Own Forces Maint Bldgs & Grnds	5,000	0	5,000
048 500226 Contractual Maint Bldgs & Grnds	102,636	0	102,636
050 500109 Personal Service Temp	25,600	0	25,600
060 500601 Benefits	732,849	43,750	776,599
068 500562 Remuneration	1,000	0	1,000
070 500704 In-State Travel Reimbursement	4,000	0	4,000
103 500741 Contracts for Op Services	56,400	0	56,400
400 500870 Construction Repair Materials	126,394	0	126,394
406 500882 Environmental Expenses	500	0	500
Total	\$4,400,467	\$168,750	\$4,569,217
Source of Funds			
Revenue:			
009 403669 Sponsorship Fee	\$85,197	\$0	\$85,197
000-000017 Turnpike Fund	4,315,270	\$168,750	4,484,020
Total	\$4,400,467	\$168,750	\$4,569,217

EXPLANATION

RSA 21-1:42, VI, as amended by HB2 (Laws of 2023), authorized DAS-DOP to develop programs for the recruitment and retention of qualified applicants in State service. Under the statute, DOP is required to obtain the approval of the Fiscal Committee prior to developing or implementing such programs. In November 2022, the Fiscal Committee approved the Winter Maintenance Employee Retention Program, pursuant to RSA 21-1:42, VI (Agenda Items FIS 22-319 9/9/2022, and amended by FIS 22-427 11/18/22). For FY2023, DAS-DOP has submitted an item to Fiscal Committee requesting approval to amend the DOT Winter Maintenance Employee Retention Program. This transfer request is contingent on the Fiscal Committee's approval of this amended policy.

RSA 21-1:42, VI, as amended by HB2 (Laws of 2023), further requires any expenditures for recruitment or retention incentives or bonuses to be approved by the Fiscal Committee. The purpose of this request is to obtain the required

approval to transfer funds from the Turnpike General Reserve for the incentives outlined in the Winter Maintenance Employee Retention Program.

The Winter Maintenance Employee Retention Program is aimed at mitigating the turnover of state employees who provide critical winter maintenance activities and to incentivize employees from other State agencies with Commercial Drivers Licenses (CDLs) to assist with winter maintenance. Over the last few years, the turnover rate, as well as the number of vacant positions across DOT winter maintenance, continues to climb. As of August 2022, DOT's department-wide vacancy rate for all positions was 24%, with maintenance staffing vacancies at 25.7% with 176 positions vacant. As of August 2023, maintenance vacancies have increased to 28% with 192 positions vacant. For comparison, in 2020 the overall Department vacancy rate was 10%. High vacancy rates impede the Department's ability to maintain expected service levels. This is particularly crucial during the winter season.

This program was very successful during the 2022-2023 winter maintenance period. Volunteers increased in number from 34 in 2021 to 108 in 2022-2023. This increase allowed DOT to maintain current service and road safety level. It is anticipated that renewing the program will again become a critical tool for the Department during the upcoming 2023-2024 winter.

In order to fund the Winter Maintenance Employee Retention Program, the Department requests authorization to transfer \$713,500 from the Turnpike General Reserve. Details relating to the Department's spending requests are as follows:

Various Turnpike Accounts (7022, 7027, 7032, 7037) 99% Turnpike Funds, 1% Agency Income

Class 017 Increase FT Employees Special Payment by \$410,000
Class 049 Increase Transfers to Outside Agencies by \$160,000
Class 060 Increase Benefits by \$143,500

The Department is estimating the number of Winter Maintenance personnel to be 85, at \$5,000 per person for a total of \$425,000 plus benefits. This includes full-time (Class 17) and other State employees (Class 49). The break down between DOT personnel and those from other agencies is estimated and could change depending on interest in the program.

See attached Turnpike cash flow schedule for available balance.

Your approval of this resolution is respectfully requested.

Sincerely,



William J. Cass, P.E.
Commissioner

Attachment

Turnpike Cash Flow Model (Capital Program \$504.02M)
(amounts in millions)
as of July 26, 2023

Includes Projects in Draft TYP (2023 thru 2032)

	Audited Accrual	CASH-BASED		
	FY 22	FY 23	FY 24	FY 25
Existing Toll Revenue	121.8	124.0	124.5	126.8
Transponder Revenue	0.8	0.8	0.8	0.8
Other Revenue (including Violation Fee Receivables)	16.8	10.0	10.0	10.2
Projected Video Tolling Fee Revenue Attributable to AET (Dover, Rochester & Bedford)	-	1.5	4.1	4.1
Hooksett Service Area Revenue	1.9	1.9	1.9	2.0
Interest income projections	0.4	1.6	1.4	1.3
Estimate Covid Revenue for staffing Call Center				
I95 ITS 16189B Estimate Revenue from Maine DOT and Turnpike		5.2		
Total Revenue	141.7	144.9	142.7	145.0
Operating Expenditures				
Existing Operating Expenditures	17.0	36.5	33.9	34.2
Operational Savings Exit 10 removal		(0.6)		
Operation Savings Expected from Bedford AET Class 10 & 60				
Operation Savings Class 10 & 60 from 7AX - hold on positions for Commissioner's Office		(1.2)	(1.3)	(1.3)
Projected Lapse		(4.8)	(3.0)	(3.0)
Project Lapse Toll Operations Shift change & AET		(1.0)		
Transponder Expense	0.8	0.8	0.8	0.8
Toll System Lane, ORT and AET O&M Expenditures (Class 24)	1.9	3.1	2.5	2.6
Toll System Upgrade Hampton and Hooskett			5.0	
Toll System AET Design/Test/Implementation Expenditures (Class 37, 38, 46) (Accrual FY inc Capitalized)	0.5	6.1	1.2	
Toll System Lane Design/Test/Implementation Expenditures (Class 37,38, 46) (Accrual FY inc Capitalized)	0.3	4.2	0.9	
EZPass Back Office O&M Expenditures (Class 102)	12.0	7.9	8.6	8.8
EZPass Back Office Expenditures Design/Test/Implementation (Class 46)				
EZPass Back Office O&M Expenditures for Invoice (Class 102)		5.8	7.4	7.5
EZPass Back Office O&M Expenditures for AET (Class 20)				
Future EZPass BOS RFP				
IAG Hub Development (Class 046)		0.05	0.05	0.05
IAG Hub O&M (Class 102)			0.1	0.1
Enforcement Expenditures (Safety)	7.8	9.3	9.5	9.6
Turnpike Funding of Welcome Centers (DBEA)	1.0	1.1	1.1	1.1
Turnpike Funding of DOT (Budget Class 029)	2.2	2.6	3.0	3.0
Total Operating Expenditures	43.4	69.7	69.6	63.5
Net Revenue	98.3	75.2	73.1	81.5
BABs Interest Subsidy (198)	(1.9)	(1.8)	(1.6)	(1.5)
Debt Service on 2006 (189)				
Debt Service on FY 2010 Revenue Bonds (2009 w/o BABS - 198)	14.1	17.1	12.0	14.3
Debt Service on FY 2010 Refunding Revenue Bonds (2009 Series B - 199)	-	-	-	-
Debt Service on FY11 Refunding Revenue Bonds				
Debt Service on 2012 Revenue Bonds (Series C - 215)	5.0	2.8		
Debt Service on Remaining Revenue Bonds (2012 Series A - 210)	-	-	-	-
Debt Service on Remaining Revenue Bonds (2012 Series B - 213)	4.5	-	-	-
Debt Service on 2015 Revenue Bonds Series A	8.0	5.1		
Debt Service on 2019 Revenue Bonds Series A	2.0	2.0	2.0	2.0
Debt Service on 2022 Revenue Bonds Series A	0.8	3.1	11.9	11.3
Total Revenue Bond Debt Service	34.4	30.1	25.8	27.6
Net Total Revenue Bond Debt Service	32.5	28.3	24.2	26.1
R&R Assesement	18.9	18.2	18.3	16.8
R&R TYP 2023-2032			14.0	15.0
Existing Debt Service General Obligation Bonds				
Existing Turnpike Renewal and Replacement Program	14.0	26.0	24.1	19.2

Portsmouth-Kittery High-Level Bridge (R&R)			0.1	6.1
Additional R&R Program (Capitalized)	8.6			
Carry-fwd R&R	-			
I-95 Advanced Payment				
Payments from General Reserves for I-95 Acquisition				
Total Other Obligations	22.6	26.0	24.2	25.3
Total Operating Annual Surplus/(Deficit)	43.2	20.9	24.7	30.1
Capital Additions				
Turnpike Operating Transfer	43.2	20.9	24.7	30.1
Bond Proceeds	-	-	-	-
Bond Issuance Costs	-	-	-	-
Total Capital Additions	43.2	20.9	24.7	30.1
Turnpike Improvement Capital Expenditures				
Hampton ORT, Seabrook NH107 Bridge, & Portsmouth Sound wall				
Hooksett ORT 15803				
Bedford/Merrimack ORT Conversion 16100 Org 7511		1.0	8.3	6.4
Newington-Dover (Dover End & GSB) 11238 Q, S, U, V ORG 7514	0.8	17.0	28.3	6.9
Spaulding Turnpike AET 29440 ORG 7511	5.2	12.7	7.5	
Merrimack-Bedford FEET Widening to 3 Lanes 13761 Org 7507	3.4	14.8	29.3	28.3
Manchester-16099-FEET Rebuild Exit 6 (16099A) and Exit 7 (16099B) ORG 7507		2.0	7.5	6.0
Bow-Concord I-93 Widening & Improvements 13742 ORG 7507	0.0			0.2
Nashua - Concord ITS 29408 org 7507	0.2	0.1		
Dover-Rochester-Somersworth Exit 10 Feasibility Study 40599 ORG 7512			0.9	
Removal of Merrimack Exit 12 29306				
Removal of Merrimack 41727 Exit 11 org 7507				
Statewide 25198 org code 7514	0.5			
Merrimack 43759 Exit 10 removal org 7507		1.1		
Portsmouth 43760 I95 Sound wall Org 7500		0.5	0.7	
Total Capital Expenditures	10.1	48.9	82.5	47.8
Total Annual Capital Surplus/(Deficit)	33.2	(28.1)	(57.8)	(17.7)
BEGINNING Operating Cash	120.2	149.7	122.9	172.3
Annual Surplus / (Deficit)	33.2	(28.1)	(57.8)	(17.7)
Set aside Reserve on Proposed bonds		1.2	7.2	3.7
Prior Period Adjustment				
Cash - Accrual Adjustments	(3.6)			
Increase in Prepaid Tolls (reserved) & Accruals	15.8	14.6	14.6	14.6
Deferred Revenue Account - Prepaid Tolls	133.9	108.3	57.7	43.6
Ending Operating Cash and Short Term Investments				
Restricted Cash (Bond Proceeds for Construction)				
Unrestricted Cash	149.7	122.9	72.3	58.2
Change in Reserve Accounts	(18.8)	(1.2)	(7.2)	(3.7)
Ending Balance of Reserve Accounts	48.3	47.1	39.9	36.2
	198.0	170.0	112.2	94.4
PROJECTED BOND COVENANT COVERAGE RATIOS	FY 22	FY 23	FY 24	FY 25
Revenue Bond Debt Service Coverage 1.2 (1.3)	3.02	2.66	3.02	3.12
All Obligation Coverage 1.0 (1.1)	2.04	1.73	1.91	1.98