



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 6, 2025

Her Excellency, Governor Kelly A. Ayotte
and the Honorable Council
State House
Concord, New Hampshire 03301

REQUESTED ACTION

Pursuant to RSA 228:12, authorize the Department of Transportation to transfer \$5,706,710 from the Highway Surplus Account, to fund winter maintenance activities, effective upon Fiscal Committee and Governor and Council approval through June 30, 2025. 100% Highway Funds.

Funds are to be budgeted as follows:

From: 04-096-096-960015-363615-0000 Highway Surplus Account \$5,706,710

04-096-096-960515-2928	Current Budget FY2025	Requested Change	Revised Budget FY2025
Winter Maintenance			
Expenses:			
017 500147 FT Employees Special Payment	\$3,598,840	\$0	\$3,598,840
018 500106 Overtime	5,678,810	0	5,678,810
019 500105 Holiday Pay	44,800	0	44,800
020 500200 Current Expense	13,301,187	2,450,000	15,751,187
022 500257 Rents-Leases Other than State	8,516,885	3,000,000	11,516,885
023 500291 Heat, Electricity, Water	967,000	100,000	1,067,000
024 500225 Maint. Other than Bldg-Grounds	242,953	0	242,953
030 500311 Equipment New Replacement	1,051,082	0	1,051,082
037 500174 Technology-Hardware	98,213	0	98,213
038 500175 Technology-Software	25,100	0	25,100
039 500180 Telecommunications	169,000	0	169,000
047 500240 Own Forces Maint Bldgs & Grnds	10,093	10,000	20,093
048 500226 Contractual Maint Bldgs & Grnds	54,749	0	54,749
049 584914 Class 049 Interagency 014 Expense	100,000	0	100,000
050 500109 Personal Service Temp	202,205	100,000	302,205
060 500601 Benefits	1,969,346	21,710	1,991,056
070 500704 In-State Travel Reimbursement	140,291	25,000	165,291
103 500741 Contracts for Op Services	136,111	0	136,111
Total	\$36,306,665	\$5,706,710	\$42,013,375

	Current Budget FY2025	Requested Change	Revised Budget FY2025
<u>Source of Funds</u>			
<u>Revenue:</u>			
000-000015 Highway Funds	\$36,306,665	\$5,706,710	\$42,013,375
Total	\$36,306,665	\$5,706,710	\$42,013,375

EXPLANATION

The Department requests authorization to transfer from the Highway Surplus Account, the amount of \$5,706,710 for winter maintenance activities and transfer funds between classes within winter maintenance. Specific explanations relating to the Department's spending requests from the Highway Surplus account are as follows:

Winter Maintenance (2928) 100% Highway Funds

- Class 020 Increase Current Expense by \$2,450,000. This increase is to cover increased anti-icing material usage during winter storms.

- Class 022 Increase Rents-Leases Other than State by \$3,000,000. This increase is to cover use of outside contractors who assist with snow removal activities due to 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.

- Class 047 Increase Own Forces Maint Bldgs & Grnds by \$10,000. This increase is to cover increased repair costs at nearly 200 salt and sand sheds at Highway Maintenance facilities statewide.

- Class 050 Increase Personal Service Temp by \$100,000. This increase is to cover cost of temporaries assisting with winter maintenance activities due to high vacancy rates and retirement of experienced employees in Highway Maintenance facilities statewide.

- Class 060 Increase Benefits by \$21,710. The additional benefits expense is to cover the additional Class 050 Personal Service Temp employees.

- Class 070 Increase In-State Travel Reimbursement by \$25,000. This increase is to cover personal vehicle mileage paid to additional temporary personnel assisting in winter maintenance operations.

Due to current projected costs of winter maintenance, the expenditures in the above class lines for snow removal activities are anticipated to exceed the budget. Increases in contracted rental rates paired with high vacancy levels within the Highway Maintenance Bureau have resulted in higher costs due as the Department increases its dependency on outside contractors to support snow and ice removal activities. Although 2025 salt per ton cost rates have decreased from 2024 rates, the average per-ton cost remains 15.0% higher than when the current budget was developed in 2022. The average per-ton cost for salt over the last four years is shown in the table below:

Fiscal Year	2022	2023	2024	2025
Salt per ton cost	\$70.36	\$84.58	\$82.58	\$80.94
Percentage change from prior year	--	20.21%	(2.36%)	(2.00%)

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 (2021–2025):

Fiscal Year	2021	2022	2023	2024	2025
Transfer Requested	\$4,992,900	\$3,945,000	\$9,695,000	\$6,555,000	\$5,706,710
Lapsed Funds related to Winter Maintenance Transfer Request	2,574,212	402,606	2,606,653	2,650,380	TBD
Transfer Funds Expended for Winter Maintenance Activities	\$2,418,688	\$3,542,394	\$7,088,347	\$3,904,620	TBD

See attached surplus schedule for available balance.

Your approval of this resolution is respectfully requested.

Sincerely,



William J. Cass, P.E.
Commissioner

Attachment

State of New Hampshire
Surplus Statement - Highway Fund
Fiscal Years 2023-2027

(expressed in millions)

Actual *Actual* *Budget*
Per ACFR Preliminary⁽¹⁾ Adj Authorized⁽²⁾

	FY 2023	FY 2024	FY 2025
Undesignated Fund Balance, July 1 (Budgetary)	\$ 147.8	\$ 148.4	\$ 120.6
Additions:			
Unrestricted Revenue			
Gasoline Tax	126.8	128.5	125.6
Motor Vehicle Fees (actual includes Plea by Mail / Real ID)	126.7	137.3	133.5
Other	2.0	0.9	0.2
Less: Cost of Collection, net of lapse-DOS	(28.1)	(31.3)	(34.5)
Other Credits (FY21 \$8.1M; FY22 \$50M and FY23 \$10M)	10.0	-	-
Total Additions	237.4	235.4	224.8
Deductions:			
Appropriations Net of Estimated Revenues-DOT	(227.0)	(244.3)	(254.7)
Appropriations Net of Estimated Revenues-DOS/Other	(37.0)	(39.9)	(45.6)
Appropriations Net of Estimated Revenue SUBTOTAL	(264.0)	(284.2)	(300.3)
Additional Appropriations:			
Transfer from Highway Surplus - Winter Maintenance RSA 228:12 ⁽⁵⁾	(9.7)	(6.6)	(5.7)
Transfer from Highway Surplus - Winter Maintenance Retention Bonus	(4.3)	(4.2)	(3.5)
Transfer from Highway Surplus - Purchase of Leased Backhoes		(4.8)	
Transfer from Highway Surplus - CBA: Increased Winter and new Non-Winter Stipends ⁽³⁾		(1.3)	
Subtotal Additional Appropriations	(14.0)	(16.9)	(9.2)
Less Lapse:			
Lapse-DOT	44.7	40.9	22.8
Lapse-DOS/Other	1.7	4.4	4.0
Subtotal Lapse	46.4	45.3	26.8
Other (Debits) ⁽⁴⁾	(5.2)	(7.4)	(1.5)
Total Deductions	(236.8)	(263.2)	(284.2)
Current Year Activity	0.6	(27.8)	(59.4)
Total Fund Balance, June 30 (Budgetary)	148.4	120.6	61.2
GAAP and Other Adjustments ⁽⁴⁾	(35.0)	(34.4)	(25.0)
Undesignated Fund Balance, June 30 (GAAP)	113.4	86.2	36.2

Notes

- (1) Draft FY24 numbers from 9/30/24 submissions through Comptroller's office.
- (2) Source: https://www.gencourt.state.nh.us/LBA/Budget/operating_budgets/2024-2025/House_Finance/Highway%20Surplus%204-6-23.pdf
- (3) Costs included in FY26-27 Budgets
- (4) FY24 actuals to be determined through FY24 year-end closing process
- (5) Assuming approval on January 30, 2025