

Transportation Council

Minutes from the Regular Meeting on Friday, August 16, 2019

The Transportation Council met on Friday, August 16, 2019 in accordance with NH RSA 238-A.

Council Members Present: Chair, Senator Melanie Levesque, Vice Chair, Jim Jalbert, Representative George Sykes, NHDOT Commissioner Victoria Sheehan, DMV-DOS Director Elizabeth Bielecki, Nate Miller (NH Assoc. of Regional Planning Commissions), Michael Tardiff (NH Assoc. of Regional Planning Commissions), Rad Nichols (Transportation Service Industry), and Heidi Marshall (Transportation Service Industry).

Others in Attendance: Bill Cass, NHDOT Assistant Commissioner, Kari Thurman, District Director for Congressman Chris Pappas, Lisa Cota-Robles, Policy Advisor to Governor Chris Sununu, and Kathleen Mulcahey-Hampson, NHDOT.

Senator Levesque opened the meeting by noting the participation of Commissioner Sheehan and Nate Miller at the 8/15 transportation roundtable in Manchester. Sen. Levesque then asked for a volunteer to prepare Transportation Council meeting minutes in the future. Michael Tardiff will take the lead, with Heidi Marshall supporting.

Commissioner Sheehan began the review of the Ten Year Plan (TYP) Process, noting that the Governor's Advisory Commission on Intermodal Transportation (GACIT) is comprised of the five Executive Councilors and the Commissioner of Transportation. She then stated that the presentation was based upon the information presented at the second GACIT meeting held on July 31, 2019.

Commissioner Sheehan provided a summary of the overall schedule and process, noting each of the key steps in the process from the preparation of the initial TYP draft, the GACIT hearing process through the state, the preparation of the subsequent versions of the TYP with input from GACIT, the Governor, the House, and then the Senate. She noted that the initial draft TYP had just been released, and the GACIT hearings were scheduled to begin shortly. She then provided a summary of the status of the 101 total construction projects scheduled for 2019 and 2020, noting that 73 were on track, 7 had been advanced, 16 delayed, and 5 had been withdrawn. As New Hampshire will often seek to accelerate designs and will often have projects on-shelf, the state had received an additional \$22.7M in redistributed federal funds for projects in 2018, and had requested an additional \$32.7M this year, although it was hoped that New Hampshire would receive at least as much as in 2018. A review of other grants and funding provided through HB 1817 were also reviewed.

The presentation continued with an overview of funding by category by year, totaling approximately \$4B over the ten years from 2021-2030. Commissioner Sheehan then provided a summary of the "Colors of Money" rainbow chart in the presentation that describes the various funding sources that support the Ten Year Plan projects. The sources include FHWA, I-93 TIFIA financing, CT River Bridge GARVEE bonds, Betterment funds, funding through SB 367, State Aid Highway, other matching funds, as well as non-highway funded turnpike, rail, transit and airport funding. It was also noted that FHWA funding cannot be used for operations and maintenance. Nate Miller then pointed out that the New Hampshire's will likely finish last

among the states in FHWA formula funding over the course of the FAST Act, and that it is important to recognize that funding level during discussions related to reauthorization. It was then noted that NH received 126% back of what it provides in gas tax receipts, but other states receive much more due to past methods of allocating funding that have been carried on in successive federal transportation funding legislation. Preliminary FAST Act reauthorization figures would increase New Hampshire's funding by approximately 10%.

Commissioner Sheehan then provided a summary of funding related to Airports, noting that the draft 2019-28 TYP contained \$256M in funding, and the recently released Plan includes a slight increase in that level. The FAA funding can be only used at the 12 federal-aid eligible airports. The funding is 90% FAA, 5% state capital budget funds, and 5% local. Because the eligible projects are already known, there is little conversation and really no decisions to be made during the TYP process.

Transit funding was the next topic. The 2019-28 TYP contained \$320M in Federal Transit Administration (FTA) funding, for both capital and operations and planning. It was further noted that funding for the NH Capital Corridor is included in the current TYP draft due to the recent approval of SB 241. A summary of the urbanized areas that are eligible for direct funding through FTA Section 5307 was then provided. Small Urban Public Transit direct recipients include COAST and Manchester Transit. Nashua Transit and CART are direct recipients within the Nashua Urbanized Area, and Boston Urbanized Area funds are available for bus service that serves Boston and the Capitol Corridor project.

A summary of rail funding was then provided. A total of \$12M is programmed in the TYP. Funding sources and the existing state-owned rail lines were summarized. Commissioner Sheehan then noted that a goal of the current TYP process update was additional participation by legislators and the public in an effort to better link needs to revenues.

The Turnpike System was then reviewed. The Turnpike System is an Enterprise Fund, which requires that all turnpike revenues must be used on the Turnpike System. The funding is used annually for operations and maintenance, debt service, repair work, and capital improvements. Existing and upcoming turnpike capital projects were reviewed, and the future conversion of tolls to all electronic tolling (AET) was discussed. Dover, Rochester and Bedford are slated for initial conversion. Nate Miller noted the need to provide an update to Bedford regarding current planning for conversion. The issue of the different roles of the Executive Council and the Legislature regarding the Turnpike System was then discussed as was the AET invoicing process and the topic of out of state/Canadian users of the AET. NHDOT will need to work with the Legislature to be able to seek payments from Canadian users. The operational and safety benefits of AET were discussed, as well as New Hampshire's low operational costs for tolling.

Commissioner Sheehan then reviewed the sources of state funding and how the funding is used, including betterment funding that is funded by 3% of the gas tax, funding through SB 367, the State Aid Bridge Program, and the discontinued State Aid Highway Program. It was noted that gas tax revenue has increased with more miles being traveled, even with the increased use of hybrids and electric vehicles. The impact of electric vehicles on future gas tax revenue was then reviewed. Jim Jalbert noted that the Council should examine the topic in the future.

Commissioner Sheehan provided an overview of issues related to the FAST Act reauthorization process. Representative Sykes reviewed some of the issues regarding the legislative process

related to the gas tax and possible VMT legislation, and potential funding sources were discussed. Commissioner Sheehan noted that while NHDOT is revenue agnostic and are presenting the case for additional investment in transportation, she reported that there were two revenue bills retained in the last legislative session regarding a potential gas tax increase or a registration surcharge to address lost revenue due to the increased efficiency of new vehicles.

The use of the SB367 funding was then summarized, including the “SB 367 Expenditure Waterfall” that will occur when the payments for TIFIA bond increase dramatically in FY26.

The Federal Aid Program was reviewed, with a summary of FY19 and FY20 apportionments and obligational authority. Typically, the state is able to obligate \$160M of an apportioned \$180M per year. Federal funding accounts for 73% of the Road and Bridge funding in the TYP. The potential for a rescission of federal funds was outlined. The Senate Committee on Environment and Public Works recently voted for the repeal of rescission, so it is hoped that the rescission process will not occur. The growing gap between Highway Trust Fund receipts and outlays was then presented, and types of programs within the FAST Act were summarized.

Commissioner Sheehan then provided an outline of the draft TYP strategies, notably the focus on (1) pavement preservation, (2) red list bridges and bridge preservation, (3) rural roads and bridges, and (4) the completion of I-93 and increased funding for Exit 4A. The TYP is constrained to \$183M per year, and includes \$25M per year to address projects identified by RPCs for 2029 and 2030. The TYP update process and hearing schedule was then outlined.

The draft statewide transportation survey was distributed for review. NHDOT will also develop a video for the TYP process to emphasize additional public involvement.

Next Meeting: Friday, September 20, 2019 at 9:00 A.M.

The topic of the meeting will focus on NH Statewide Pedestrian and Bicycle Transportation Plan and bike/trail planning efforts. The topic of the October meeting will be Transportation Network Companies (TNCs).