

Senate Finance Committee

Deb Martone 271-4980

SB 270-FN-A, relative to appropriations to the department of transportation.

Hearing Date: March 7, 2023

Time Opened: 1:06 p.m.

Time Closed: 1:23 p.m.

Members of the Committee Present: Senators Gray, Innis, Bradley, Birdsell, Pearl, D'Allesandro and Rosenwald

Bill Analysis: This bill appropriates \$20,000,000 to the department of transportation for municipal bridges, and \$20,000,000 to the department of transportation for additional "Apportionment A" distributions.

Sponsors:

Sen. D'Allesandro
Sen. Soucy
Sen. Gendreau

Sen. Watters
Sen. Ricciardi

Sen. Carson
Sen. Rosenwald

Who supports the bill: Senators Gendreau, Rosenwald, Soucy, Carson and Watters; Andre Briere; Katherine Heck; Paul Worsowicz; Alex Koutroubas; Mayor Deaglan McEachern; Shelby Rhodes; Gary Abbott.

Summary of testimony presented in support:

Senator D'Allesandro, Prime Sponsor:

- This is a simple bill which was done in the previous legislative session (SB 401).
- SB 270-FN-A appropriates \$40 million Highway Funds in FY 2024 to the Department of Transportation for the distribution of aid to municipalities. Of this amount, \$20 million will be distributed as bridge aid (\$10 million based on bridge deck area, and \$10 million based on population). The other \$20 million is "Apportionment A" distributions, highway block grant aid distributed under RSA 235:23 I.
- Senator D'Allesandro shared with committee members a NH Journal article from its InsideSources column dated March 2, 2023, entitled "*New Hampshire is King of the Road*". The article praises New Hampshire as having been rated with the best roads in the country at one of the lowest costs per mile. In the article, Governor Chris Sununu gives the credit to good government and smart investments.
- It is clear the money we have appropriated has found a wonderful use, and that everyone in the country recognizes that.

- SB 270-FN-A does the same thing SB 401 did, with the exception the distribution will be \$20 million and \$20 million, rather than \$36 million and \$30 million.
- If we're going to stay "King of the Road," we need to fund properly so that the work can be done.
- DOT is currently working on the distribution formula for the bill.

Andre Briere, Deputy Commissioner, Department of Transportation:

- DOT is proud of the work they do to keep our state's roads in good repair, while using taxpayer dollars wisely and efficiently.
- The only caveat in their support of SB 270-FN-A is that the current account balance in the Highway Fund does lend itself to the idea there are excess funds in the account. Based on their updated Highway Fund Surplus Statement through the next biennium, the end of 2025, the money is just not there with their current spending levels. By the end of the biennium the fund will very likely be in negative territory. There are long-term structural deficits to the Highway Fund. They have long-term issues with revenues into the Highway Fund. The current Surplus Statement does not include DOT's average cost for winter maintenance 2023-2025, additional inflationary fuel costs, and inflationary material costs of winter maintenance. Currently, at the end of 2025 the Highway Fund is projected by the Governor's Budget to be \$13 million. It is very likely that figure will be negative. This is after the \$50 million infusion to the Highway Fund in the last budget. DOT would have been in deficit with the Highway Fund this biennium if that infusion had not occurred. They are in total support of passing through funds to municipalities to keep roads in good repair. However, they urge an alternate funding source other than the Highway Fund.
- Senator Rosenwald inquired about the Governor proposing a change in HB 2-FN-A-LOCAL as to how Highway Funds could be spent. Would such a change positively affect the Highway Fund? Deputy Commissioner Briere indicated fewer draws from the Highway Fund would be a positive. The other factor is the TIFA loan. The principal starts to come due in 2026. It will be a significant hit to the Department's ability to keep the roads in good repair.
- Senator Bradley reminded committee members his bill, SB 401, was a General Fund appropriation of \$66 million. He reiterated the Department supports the road and bridge money, but wants it to come out of the General Fund or some other alternate funding. Deputy Commissioner Briere agreed. They would be supportive of any other funding source.

Katherine Heck, New Hampshire Municipal Association:

- SB 401 was transformative last year. The one-time use of surplus funds to municipalities allowed the continuance of their road plans as scheduled. They also used some funds to repair bridges to keep them off the Red List.
- The impact of these funds will be tremendous.
- One mile of road costs between \$1.2 million and \$1.5 million, no matter the size of the community.

Paul Worsowicz, Aggregate Manufacturers Association:

- This bill should have indicated the bill's appropriations would be out of the General Fund.
- The contractors from the Aggregate Manufacturers Association pay the BET, which goes to the General Fund. All of the money DOT lets out for contracts, the BET is paid on.
- The Highway Fund is a contributor to the General Fund.
- It is hoped these funds can be distributed to the municipalities.

Alex Koutroubas, ACEC NH:

- Engineering firms are in strong support of this legislation. It will enable cities and towns to repair/replace roads and bridges that require attention due to safety and capacity issues.
- Mr. Koutroubas distributed information to committee members concerning a bridge and an intersection in Hooksett. SB 401 enabled the Town of Hooksett to reconfigure an intersection that will allow the safe flow of traffic, and design a new bridge to be installed. Speed and safety issues will be addressed. The project will eliminate the need for an existing sidewalk, resolve weight limit issues, and many other improvements. SB 401 made the difference in getting this project off the ground, per the Hooksett Town Council. It will cost approximately \$1 million to design and construct the project.
- If SB 270-FN-A is not passed, projects like the one in Hooksett will have to float a bond, have a warrant article, and be paid for with property taxes.

dm

Date Hearing Report completed: March 9, 2023