

New Hampshire Department of Transportation

NHDOT Overview and House Approved Budget 2024-2025

Senate Finance Committee

April 20, 2023

Mission

Transportation excellence enhancing the quality of life in New Hampshire

Purpose

Transportation excellence in New Hampshire is fundamental to the state's economic development and land use, enhancing the environment, and preserving the unique character and quality of life. The

Transportation Department will provide safe and secure mobility and travel options for all of the state's residents, visitors, and goods movement, through a transportation system and services that are well-maintained, efficient, reliable, and provide seamless interstate and intrastate connectivity.

New Hampshire Department of Transportation

**Assistant Commissioner
and Chief Engineer**

Commissioner

Deputy Commissioner

Directors

Project Development

Operations

Finance

**Policy &
Administration**

**Aeronautics,
Rail & Transit**

Bureau Administrators and District Engineers

Highway
Design

Materials &
Research

Bridge Design

Project
Management

Environment

Right-of-Way

Construction

Planning &
Community
Assistance

Highway
Maintenance
(District Offices)

Bridge
Maintenance

Turnpikes

Mechanical
Services

Traffic

Transportation
Systems Management
and Operations

Finance &
Contracts

Audit

Human
Resources

Stewardship &
Compliance

Federal Labor
Compliance

Hearings &
Legislation

Public
Information
Officer

Aeronautics

Railroads
& Public
Transportation



Key Facts About NHDOT

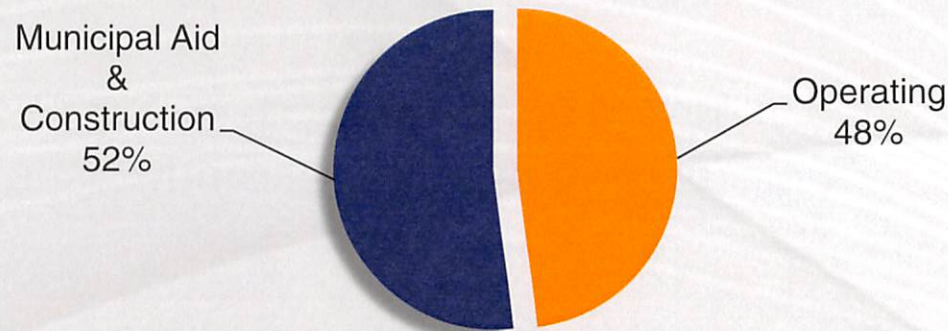


- 1,650 permanent positions
- 2,159 State Bridges
 - State Red List – 121 (5.6%)
- 1,698 Municipal Bridges
 - Municipal Red List – 242 (14.3%)
- Approx. 4,600 centerline miles of roadway managed (additional 300+ town maintained)
 - Maintain more than 100,000 highway signs
 - 75 million feet striping
 - 434 traffic signals, 550 beacons
- 162 miles active state-owned rail lines
- 25 Publicly accessible airports
- 11 Local Public Transit Systems

Funding Summary

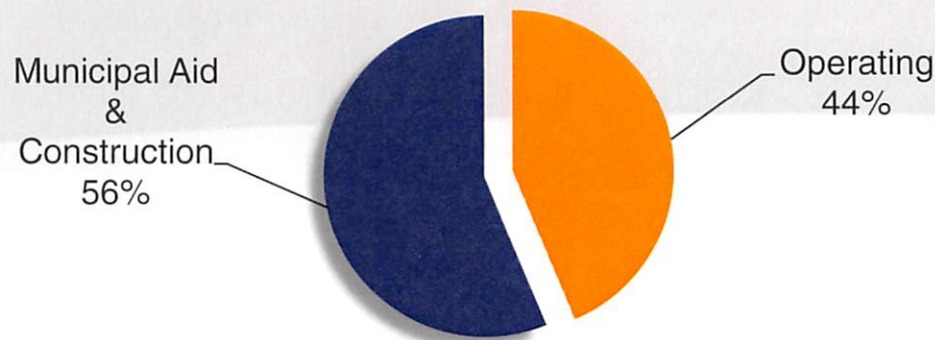
FY2022 Actual Expenditures - \$587.2 million

- Municipal Aid and Construction Costs = \$305.2 million
- Operating Costs = \$282 million
- Highway (28%), Federal (39%), Turnpike (20%), Other (13%), General (<1%)



FY2023 Adjusted Authorized Budget \$775.8 million

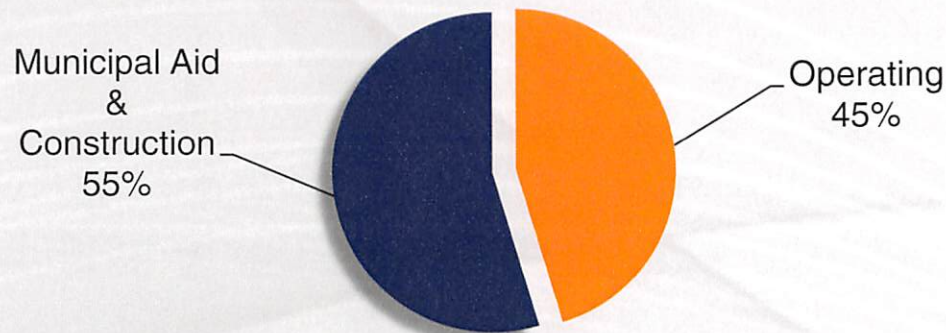
- Municipal Aid and Construction Costs = \$436.1 million
- Operating Costs = \$339.7 million
- Highway (29%), Federal (40%), Turnpike (20%), Other (11%), General (<1%)



Funding Summary – (continued)

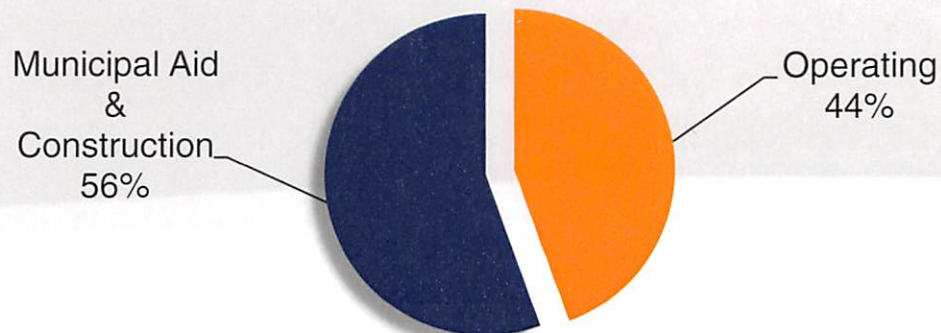
FY2024 House Approved Budget \$759 million

- Municipal Aid and Construction Costs = \$415 million
- Operating Costs = \$344 million



FY2025 House Approved Budget \$787 million

- Municipal Aid and Construction Costs = \$437 million
- Operating Costs = \$350 million

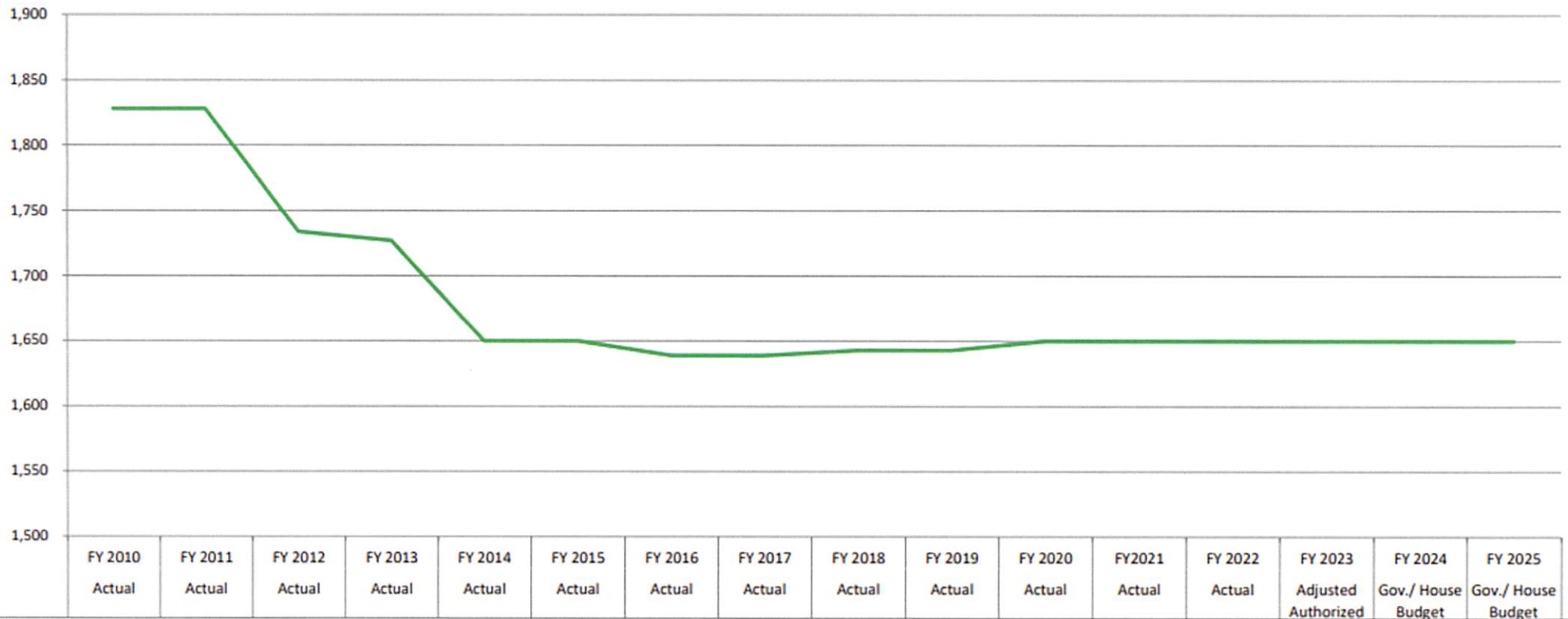


History of Authorized Full-Time Positions

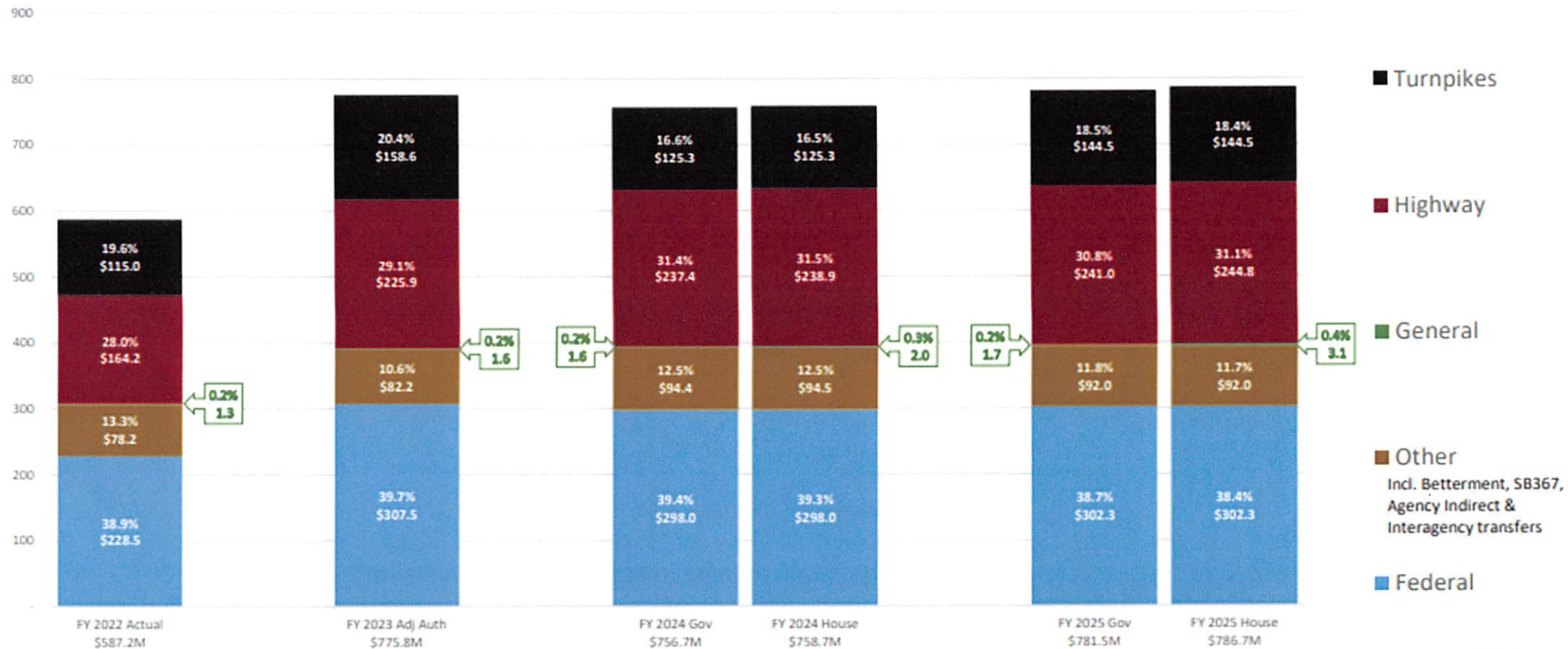
State of New Hampshire Department of Transportation History of Authorized Full-Time Positions

	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Actual	Adjusted Authorized	Gov./ House Budget	Gov./ House Budget
Authorized Positions - Classified & Unclassified	FY 2010	FY 2011	FY 2012	FY 2013	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY2021	FY 2022	FY 2023	FY 2024	FY 2025
	1,828	1,828	1,734	1,727	1,650	1,650	1,639	1,639	1,643	1,643	1,650	1,650	1,650	1,650	1,650	1,650

DOT Authorized Full-Time Positions

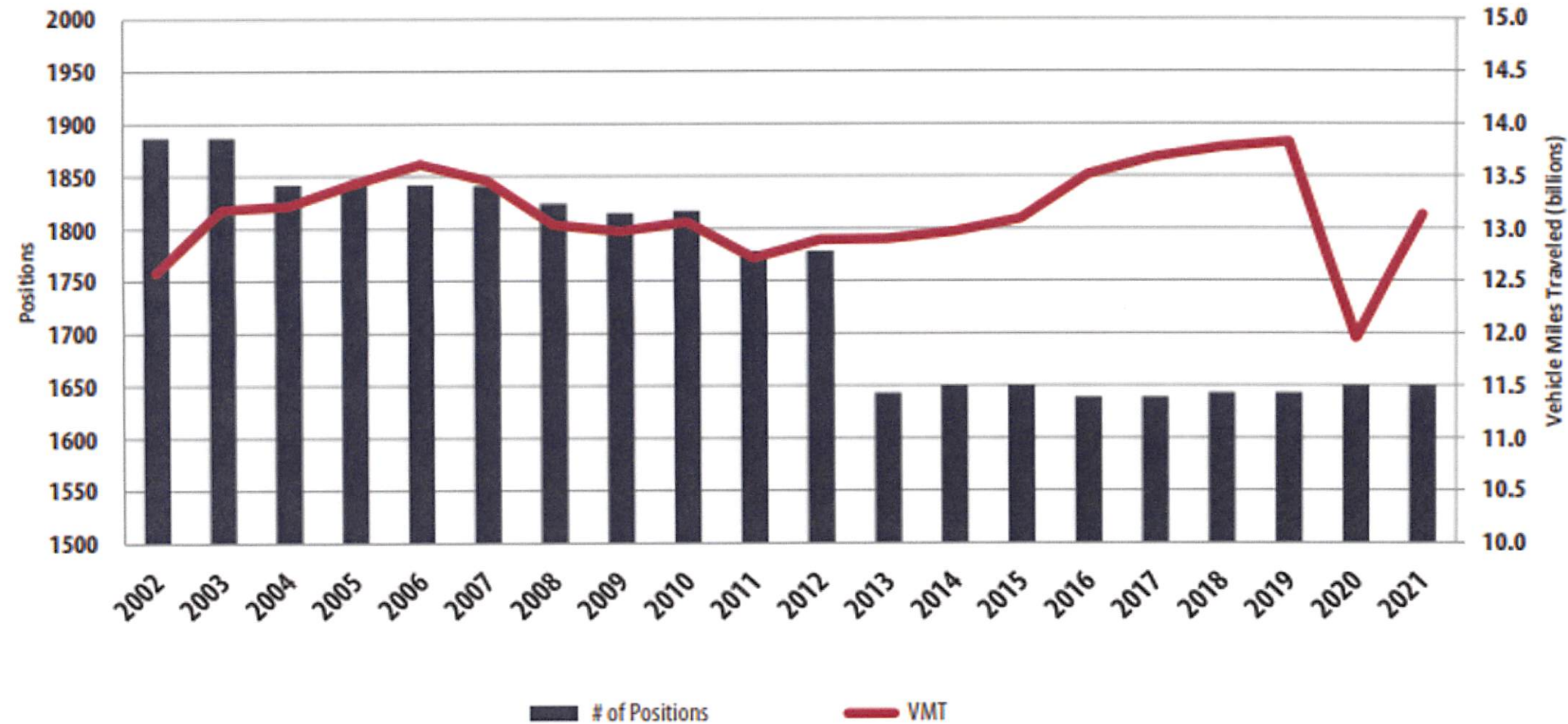


Funding Summary-Type of Funds



Full-Time Positions vs. Vehicle Miles Traveled

NHDOT Positions vs Vehicle Miles Traveled (VMT)



Note: Increased roadway utilization results in additional maintenance needs while DOT staffing remains flat.

General Fund Overview

Aeronautics

25 Open-to-the-Public Airports
13 Federally Funded Airports
FFY22: Granted \$46.1M
3 Commercial airports
10 Block Grant Airports
12 Airports do not receive Federal Aid.
FY22: \$510K in Revenue from Aviation Registration Fees.



Rail

6 active operator agreements
4 freight service
2 tourist service
162 miles active state-owned rail lines
303 miles abandoned/inactive state-owned rail lines



Public Transit

11 Local Public Transit Systems
Intercity/Commuter service
Community Transportation (Human Service/Volunteer Drivers)



General Fund

- Funds Aeronautics, Railroad and Transit
- Transit Bureau funded with primarily Federal funds
 - Budget includes \$200 thousand per year of General funds for transit operators' Federal match
- FY2024 General Fund Budget \$1.6M
- FY2025 General Fund Budget \$1.7M
- State operating match for rural and urban transit to access additional available IIJA funds

House Funded Additional Need:

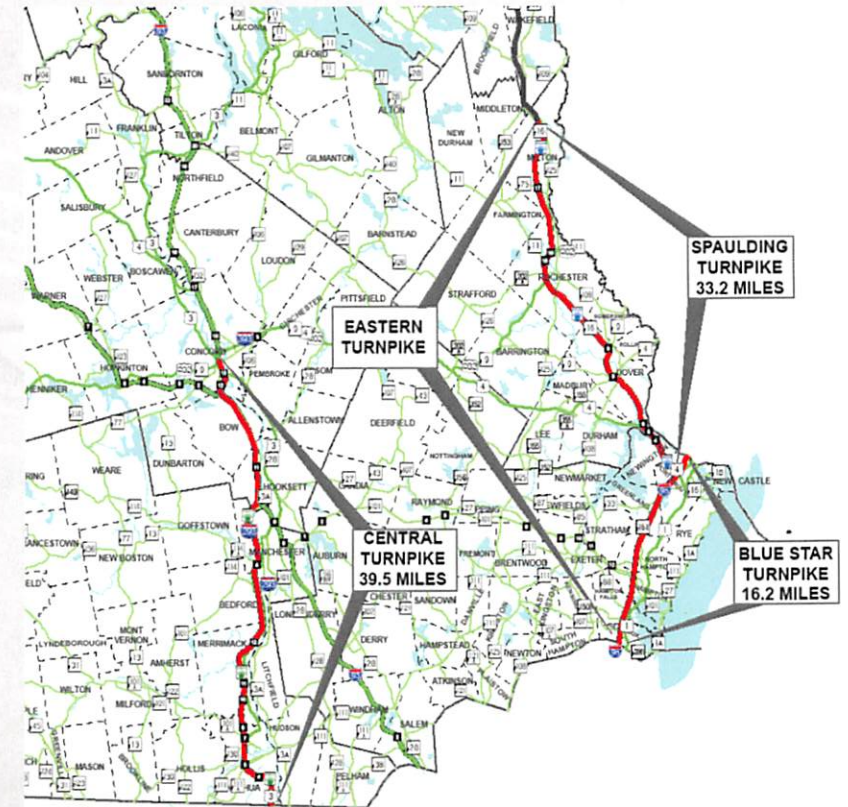
- \$1.9M State operating match for rural and urban transit to access additional available IIJA funds

Unfunded Additional Needs through House Phase:

- Aeronautics Program Specialist III – UAS (Drones)

Turnpike Fund Overview

- 3 Turnpike Segments
- 89 Miles Long
- 172 Bridges
- 7 Toll Plazas
- Enterprise Fund – All Turnpike revenue must be used on the System
- Turnpike Revenue pays for:
 - Operating & Maintenance Costs
 - Debt Service
 - R&R Work
 - Capital Improvements
- FY22: 112 million transactions
\$143.8 million total revenue



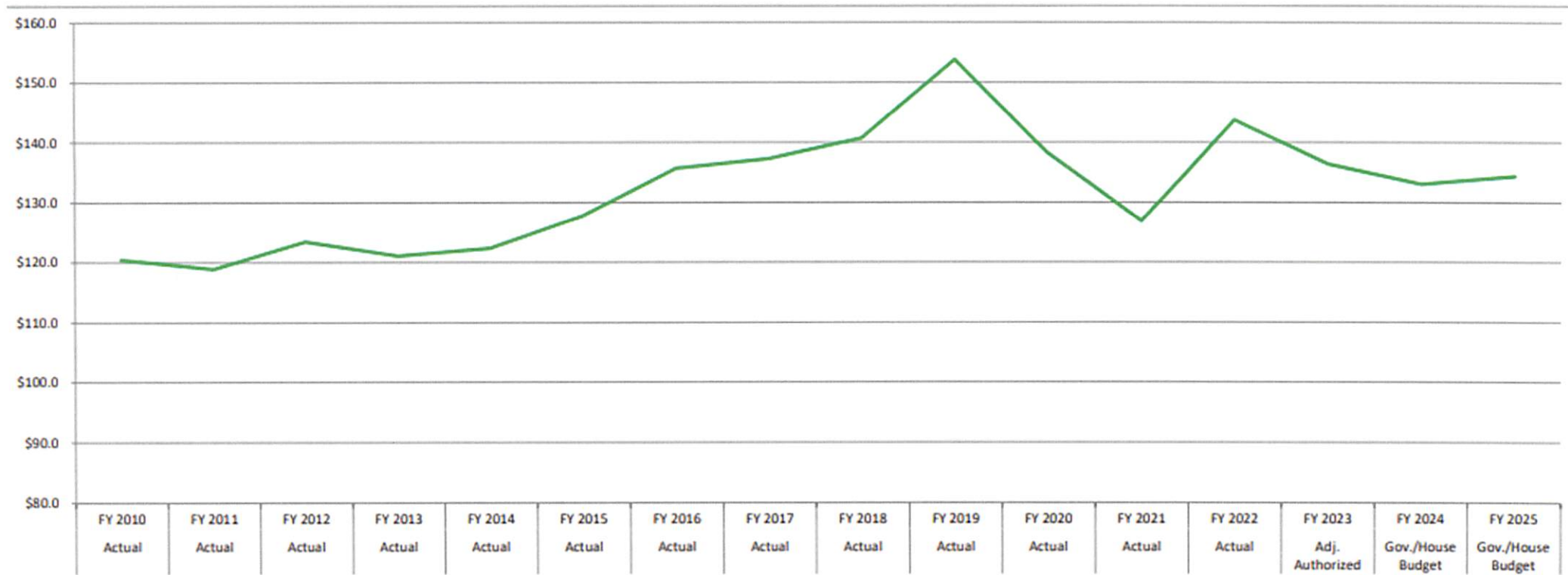
Turnpike Fund Historical Revenue

State of New Hampshire Department of Transportation History of Turnpike Fund Revenue

(in millions)

	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Adj. Authorized FY 2023	Gov./House Budget FY 2024	Gov./House Budget FY 2025
Toll Revenue	\$ 117.7	\$ 117.9	\$ 117.9	\$ 117.2	\$ 118.5	\$ 123.6	\$ 129.6	\$ 130.5	\$ 134.1	\$ 145.1	\$ 129.8	\$ 120.4	\$ 136.9	\$ 132.0	\$ 128.6	\$ 130.0
Transponder + Non-operating Revenues	2.8	1.0	5.6	3.9	3.9	4.2	6.1	6.8	6.6	8.7	8.4	6.5	6.8	4.4	4.5	4.4
Total Revenue - Turnpike Fund	\$ 120.5	\$ 118.9	\$ 123.5	\$ 121.1	\$ 122.4	\$ 127.8	\$ 135.7	\$ 137.3	\$ 140.7	\$ 153.8	\$ 138.2	\$ 126.9	\$ 143.8	\$ 136.4	\$ 133.1	\$ 134.4

Source: (Actual) State ACFR Revenue Reports and Budget Appropriations



Turnpike Fund

- FY24 budget flat to FY23 Adjusted Authorized; FY25 budget flat to FY24
- No additional prioritized needs were requested
- All operations, maintenance, debt service and R&R requirements have been funded within the FY24/25 Budget
- Overall long-term revenue estimates projecting limited growth on the Turnpike System will result in some capital project delays in the Ten-Year Transportation Improvement Plan 2023-2032
- No changes in House Approved Budget

Road/Bridge Maintenance
Block Grant Aid
Betterment
SB367



Highway Fund Overview

Department of Administrative Services
Department of Environmental Services
Board of Tax & Land Appeals
Department of Justice
NH Fish and Game

Road Toll & Fee Revenue
Cost of Collections



Highway Fund

- Highway Fund is not the DOT and DOT is not the Highway Fund.
- Revenue to the Highway Fund is generated from gas tax/road toll and certain registration fees and is collected by Department of Safety.
- Revenue from Highway Fund appropriated to various agencies; DOT, Safety, Judicial Branch and Justice.
- In 2022:
 - 59.7% of Highway Fund revenue appropriated to DOT
 - 26.7% to other Agencies
 - 13.6% to Municipalities
- Revenue from the Highway Fund is DOT's primary source of funding for its Operating Budget.

Highway Fund – Restricted Revenue

- Gross Highway Fund revenue is reduced by the cost of collection for the Department of Safety.
- Block Grant - 12% of the gross road toll and motor vehicle fee revenues collected in the preceding fiscal year are distributed to municipalities (RSA 235:23).
- State Highway and Bridge Betterment Account - 2.6 cents (88% of 3 cents) of the Road Toll (RSA 235:23-a).
- SB367 Revenue - 3.7 cents (88% of 4.2 cents) is restricted for I-93 project debt service, State Aid Bridge and State Highway and Bridge Betterment Account. (RSA 260:32-a and b)
- Of the overall 22.2 cent/gallon NH Road Toll, 12.8 cents is available for appropriation to cover Operating Costs.

History of Road Toll and Motor Vehicle Fee Revenues

Highway Fund 25-Year History														
Fiscal Year	Restricted and Unrestricted Road Toll					Motor Vehicle Fees and Fines				Highway Fund Allocation by Percentage				
	22.2c Total Gas Tax	2.7c (12%) Block Grant Aid A&B	2.6c Betterment	3.7c SB 367 Gas Tax	13.2c Net State Gasoline Tax	Motor Vehicle Fees	12% Block Grant from Motor Vehicle Fees	Net Motor Vehicle Fees	Motor Vehicle Fines	Hwy Funds Available to Other Agencies	Highway Fund Balance for NHDOT	% for Muni's	% for Other Agencie s	% for NHDOT
1997	123.0	13.8	12.0	0.0	97.2	62.4	7.5	55.0		40.2	112.0	12.3%	23.2%	64.5%
1998	128.1	14.5	12.6	0.0	101.0	64.5	7.7	56.7		40.8	117.0	12.4%	22.7%	65.0%
1999	133.3	14.6	13.5	0.0	105.2	66.3	8.0	58.4		42.2	121.4	12.1%	22.7%	65.2%
2000	136.0	15.0	20.0	0.0	101.0	69.9	8.4	61.5		46.9	115.6	12.6%	25.2%	62.2%
2001	139.8	16.4	20.3	0.0	103.1	72.1	8.6	63.4		48.2	118.4	13.1%	25.1%	61.8%
2002	142.8	15.6	21.1	0.0	106.1	83.7	10.0	73.7		52.1	127.7	12.5%	25.3%	62.2%
2003	145.6	16.8	21.4	0.0	107.4	87.7	10.5	77.2		54.5	130.0	12.9%	25.7%	61.4%
2004	152.0	16.4	22.1	0.0	113.5	89.9	10.8	79.1		57.2	135.4	12.4%	26.0%	61.6%
2005	154.6	18.3	22.6	0.0	113.7	93.2	11.2	82.0		63.2	132.4	13.1%	28.1%	58.8%
2006	149.8	18.5	21.9	0.0	109.4	85.7	10.3	75.5		70.0	114.8	13.5%	32.8%	53.8%
2007	151.5	17.3	22.0	0.0	112.2	93.3	11.2	82.1		74.2	120.1	12.8%	33.3%	53.9%
2008	151.7	17.5	14.7	0.0	119.5	100.9	12.1	88.8		75.7	132.6	12.4%	31.8%	55.7%
2009	146.3	18.6	14.2	0.0	113.5	99.3	11.9	87.4		79.3	121.6	13.2%	34.3%	52.6%
2010	147.0	12.6	23.3	0.0	111.1	142.1	17.1	125.1		81.9	154.4	11.2%	30.8%	58.1%
2011	161.2	20.0	36.2	0.0	105.0	123.9	14.9	109.1		84.5	129.6	14.0%	33.9%	52.1%
2012	144.0	22.0	21.7	0.0	100.3	104.4	12.5	91.9	8.3	80.4	120.1	14.7%	34.2%	51.1%
2013	144.2	17.1	20.8	0.0	106.3	106.5	12.8	93.7	7.5	82.0	125.5	12.6%	34.5%	52.9%
2014	145.8	17.1	21.1	0.0	107.6	109.2	13.1	96.1	7.5	83.6	127.5	12.5%	34.6%	52.8%
2015	181.4	19.8	21.3	34.3	106.0	107.8	13.1	94.7	7.2	83.4	124.5	13.7%	34.6%	51.7%
2016	182.6	21.9	21.5	30.6	108.6	107.7	12.9	94.8	7.0	64.2	146.2	14.2%	26.2%	59.6%
2017	184.1	22.0	21.8	30.8	109.5	113.5	12.9	100.6	6.3	66.5	149.9	13.9%	26.5%	59.6%
2018	184.9	22.2	22.0	31.2	109.5	114.1	13.6	100.5	5.8	65.1	150.7	14.2%	25.9%	59.9%
2019	187.8	22.6	22.4	31.6	111.3	117.0	13.7	103.3	5.7	69.9	150.4	14.1%	27.2%	58.6%
2020	174.7	22.9	20.5	28.7	102.6	115.5	14.0	101.5	10.7	66.4	148.4	14.7%	26.4%	58.9%
2021	171.0	21.2	20.0	28.6	101.2	119.0	13.9	105.1	11.6	67.2	150.8	13.8%	26.6%	59.6%
2022	174.5	20.5	21.5	30.3	102.3	121.7	14.3	107.4	11.5	68.4	152.7	13.6%	26.7%	59.7%

SB367 Waterfall / TIFIA Debt Service

Fiscal Year	\$0.042 Dedicated Road Toll Increase ¹	Municipal Block Grant Aid (12% PY Revenue)	Debt Service & Cost of Issuing Bonds Due on \$200M TIFIA Financing ² for I-93	State Aid for Municipal Bridges	DOT Operating Budget	Transfer from FY 16 savings in Operating ⁴	TIFIA Pledged Paving and Bridge Repair ³
2015 Actual	\$34,317,587	-	\$100,000	\$9,117,587	-		\$25,100,000
2016 Actual	\$34,686,888	\$4,118,110	\$284,354	\$6,800,000	\$8,300,000		\$15,184,423
2017 Actual	\$34,974,610	\$4,162,427	\$473,303	\$6,800,000	\$8,300,000	\$4,000,000	\$19,238,880
2018 Actual	\$35,358,920	\$4,196,953	\$735,276	\$6,800,000	-		\$23,626,691
2019 Actual	\$35,808,375	\$4,243,070	\$1,297,686	\$6,800,000	-		\$23,467,619
2020 Actual	\$32,980,660	\$4,297,005	\$1,673,067	\$6,800,000	-		\$20,210,589
2021 Actual	\$32,592,186	\$3,957,679	\$2,006,350	\$6,800,000	-		\$19,828,157
2022 Actual	\$34,169,548	\$3,911,062	\$2,155,345	\$6,800,000	-		\$21,303,140
2023 Projected	\$33,222,656	\$4,100,346	\$2,215,000	\$6,800,000	-		\$20,107,310
2024 Gov. Budget	\$34,096,152	\$3,986,719	\$2,215,000	\$6,800,000	-		\$21,094,433
2025 Gov. Budget	\$34,266,632	\$4,091,538	\$2,215,000	\$6,800,000	-		\$21,160,094
2026	\$33,923,966	\$4,111,996	\$23,425,706	\$6,386,264	-		\$0
2027	\$33,584,726	\$4,070,876	\$23,425,706	\$6,088,144	-		\$0
2028	\$33,248,879	\$4,030,167	\$23,425,706	\$5,793,006	-		\$0
2029	\$32,916,390	\$3,989,865	\$23,425,706	\$5,500,819	-		\$0
2030	\$32,620,142	\$3,949,967	\$23,425,706	\$5,244,470	-		\$0
2031	\$32,326,561	\$3,914,417	\$23,425,706	\$4,986,438	-		\$0
2032	\$32,035,622	\$3,879,187	\$23,425,706	\$4,730,729	-		\$0
2033	\$31,747,302	\$3,844,275	\$23,425,706	\$4,477,321	-		\$0
2034	\$31,461,576	\$3,809,676	\$23,425,706	\$4,226,194	-		\$0
2035	\$0	\$0	\$0	\$0	-		\$0
TOTAL	\$670,339,378	\$76,665,337	\$226,201,735	\$124,550,970	\$16,600,000	4,000,000.00	\$230,321,337

¹ - FY2022 and FY2023 Enacted Budget (CH 91 L of 21); FY2026 - FY2034 % reductions provided by Cambridge Systematics as part of the Road Usage Fee Study.

² - Actual/Projected debt service based on loan closing 5/24/2016.
 - \$200M TIFIA Financing; 9 year deferral period for principal payments
 - All-In True Interest Cost = 1.09%
 - Includes \$20,000 annual TIFIA Administrative Fee.

³ - Pursuant to SB367 requirements, funds identified will be allocated based on RSA 235:23-a, Highway and Bridge Betterment Account.

⁴ - Savings realized in Highway Maintenance in FY2016 transferred to TIFIA Pledged Paving and Bridge Repair pursuant to CH 0324:10 L16.

History of One-Time Sources - Highway Fund Revenue

Unrestricted and Restricted Revenue (Highway Funds)

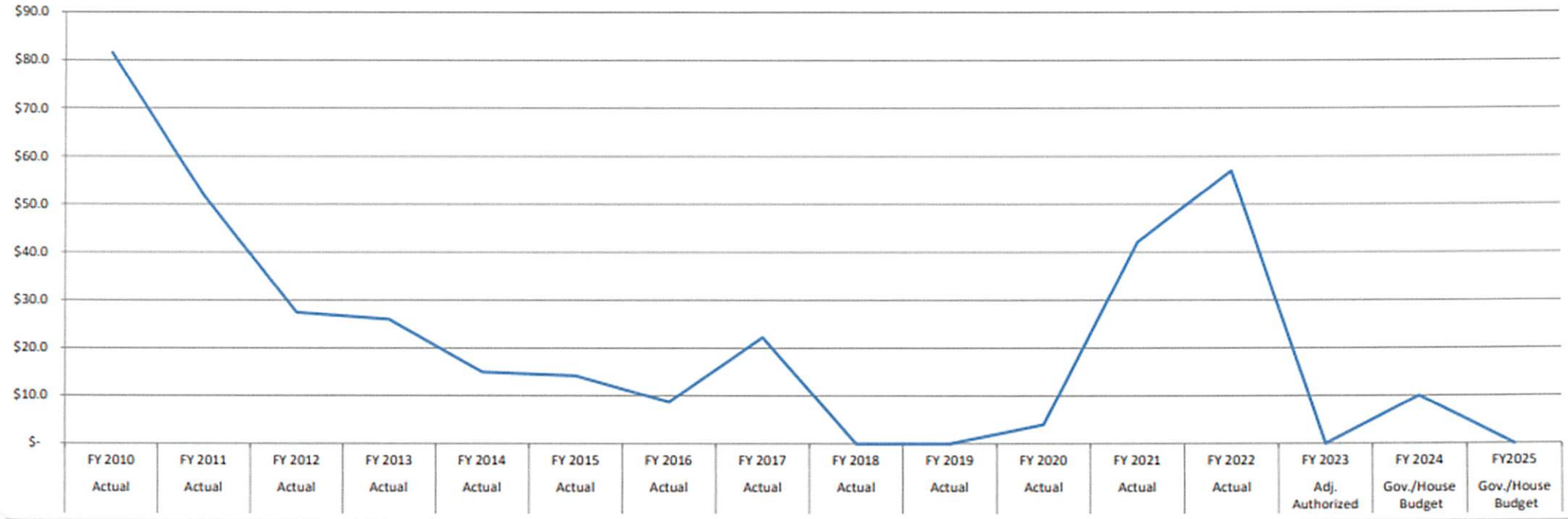
	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual FY 2014	Actual FY 2015	Actual FY 2016	Actual FY 2017	Actual FY 2018	Actual FY 2019	Actual FY 2020	Actual FY 2021	Actual FY 2022	Adj. Authorized FY 2023	Gov./House Budget FY 2024	Gov./House Budget FY2025
30 Reg. Surcharge	38.9	29.7														
Retro Turnpike Toll Credits	12.7	2.1	1.4													
-95 Sale	30.0	20.0	26.0	26.0	15.0	14.2	0.4									
5B367 for NHDOT Highway Operations							8.3	8.3								
General Fund Transfer to Highway Fund *								13.9			4.0	8.1	50.0		10.0	
1B 1817 General Fund State Red List Bridges												34.0	7.0			
Total Unrestricted Revenue - Highway Fund	\$ 81.6	\$ 51.8	\$ 27.4	\$ 26.0	\$ 15.0	\$ 14.2	\$ 8.7	\$ 22.2	\$ -	\$ -	\$ 4.0	\$ 42.1	\$ 57.0	\$ -	\$ 10.0	\$ -

Source: State ACFR Revenue Reports

* HB517 (HB2) Section 156:232, \$13.9M appropriated to the Highway Fund from the General Fund, effective June 30, 2017.

HB 4 Section 346:311, \$3.963M appropriated to the Highway Fund from the General Fund, effective June 30, 2019.

Revenue from Short-Term Sources: Highway Fund



Funded Additional Needs – FY24-FY25

Governor Approved Additional Needs:

- Debt Service payments
- Block Grant increases tied to revenue increases
- Transfers to other agencies including DoIT, General Services, DAS, Justice for their cost increases
- \$6M for Vehicles (request of \$10.4M)
- \$216K for vehicle outfitting (request of \$376k)

House Approved Additional Needs:

- \$.5M Increase to Apportionment A in FY24
- Add'l \$4.4M for vehicles and \$160K in outfitting costs
- Added \$152K for vehicle telematics

Unfunded Additional Needs – FY24-FY25

Winter maintenance unfunded additional needs requested to cover the annual budget expense (3 year average) shortfall and further impacted by rising salt, fuel and utility costs as well as significant vacancies:

Fiscal Year	2019	2020	2021	2022	2023
Transfer Requests Expended For Winter Maintenance Activities	\$9,597,226	\$972,323	\$2,418,688	\$3,542,394	\$9,695,000

3 Yr Average: \$5.22M 5 Yr Average: \$5.45M

Fiscal Year	2021	2022	2023
Salt per ton cost	\$54.99	\$70.36	\$84.58

Unfunded Additional Needs:

- \$6.5M increase in road salt (54% increase in cost since 2021) annually
- \$2.6M increase in cost for hired plows annually
- \$3.1M increase in fuel costs annually
- \$471K increase in utility costs annually

Status of the Highway Fund

STATE OF NEW HAMPSHIRE						LBA
COMPARATIVE STATEMENT OF UNDESIGNATED SURPLUS						04/06/23
HIGHWAY FUND						
(Dollars in Thousands)						
	FY 2023		FY 2024		FY 2025	
	Governor	House	Governor	House	Governor	House
Beginning Balance, July 1 (Budgetary)	\$ 147,755	\$ 147,755	\$ 119,855	\$ 120,228	\$ 82,255	\$ 80,419
Additions:						
Revenue:						
Road Toll	121,800	124,300	124,800	125,000	125,400	125,600
Motor Vehicle Fees & Fines	131,500	133,200	133,800	133,600	133,700	133,500
Miscellaneous	200	200	200	200	200	200
Total Revenue	253,500	257,700	258,800	258,800	259,300	259,300
Revenue Adjustments:						
HB 1 - Dept. of Safety Cost of Collections Appropriations	(31,200)	(33,157)	(34,700)	(35,260)	(35,600)	(35,806)
FY 2023 Other Appropriations/Adjustments	-	(727)	-	-	-	-
Less: Estimated Lapse	-	2,414	-	1,300	-	1,300
Net Dept. of Safety Cost of Collections Appropriations	(31,200)	(31,470)	(34,700)	(33,960)	(35,600)	(34,506)
Total Net Revenue	222,300	226,230	224,100	224,840	223,700	224,794
HB 2 - Transfer From General Fund	-	10,000	-	-	-	-
Total Additions	222,300	236,230	224,100	224,840	223,700	224,794
Deductions:						
HB 1 - Appropriations	(266,200)	(263,439)	(278,500)	(280,154)	(283,200)	(286,946)
Appropriation Adjustments:						
HB 1 - Dept. of Information Technology Positions	-	-	-	(33)	-	(34)
HB 2 - Employee Pay Raise	-	-	(9,300)	(9,262)	(11,300)	(11,300)
FY 2023 Other Appropriations/Adjustments	-	(16,318)	-	-	-	-
Other Appropriation Adjustments/Other Debits	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)	(1,500)
Total Appropriation Adjustments	(1,500)	(17,818)	(10,800)	(10,795)	(12,800)	(12,834)
Less: Lapse	17,500	17,500	27,600	26,300	28,100	26,800
Total Deductions	(250,200)	(263,757)	(261,700)	(264,649)	(267,900)	(272,980)
Current Year Balance	(27,900)	(27,527)	(37,600)	(39,809)	(44,200)	(48,186)
Balance, June 30 (Budgetary)	119,855	120,228	82,255	80,419	38,055	32,233
GAAP Adjustments	(22,500)	(22,500)	(25,000)	(25,000)	(25,000)	(25,000)
Balance, June 30 (GAAP)	97,355	97,728	57,255	55,419	13,055	7,233

- The structural deficit in the HWY Fund is the reason why an additional \$50M general funds was added in FY22 to help sustain it through FY25.
- Does not include the additional annual cost for winter maintenance averaging \$5.1M (last 5 years) or the \$3.1M in additional fuel costs. Adding in these additional costs, would leave a negative balance of \$3.3M in FY25.

Note: Budgetary balances and GAAP adjustments do not include bonds authorized/unissued

Long-term Challenges

- Highway Fund revenue and structural insolvency
- Employee retention - current vacancy rate over 25%
- Operations and Maintenance
 - High vacancy rate and non-competitive salaries
 - Declining service levels (graffiti removal, mowing, striping, bridge washing)
 - Backlogs in driveway permitting and routine maintenance
 - Non-competitive rental rates and shortage of hired trucks
- Loss of SB367 revenue toward paving/bridges – ends after FY2025
- Limited State funding for Non-Fed eligible state roads
 - 3,460 miles Fed-Aid Eligible
 - 1,142 miles Ineligible for Fed-Aid
- State funding for rural and urban transit programs
- State match for the Federal Highway Program
- State Aid Bridge program