



THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



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Victoria F. Sheehan
Commissioner

William Cass, P.E.
Assistant Commissioner

The Honorable Mary Jane Wallner, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301

Division of Operations
February 10, 2020.

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

Replacement for FIS20-023

REQUESTED ACTION

Pursuant to RSA 228:12, authorize the Department of Transportation to transfer \$7,310,000.00 from the Highway Surplus Account to fund winter maintenance activities effective upon Fiscal Committee and Governor and Council approval through June 30, 2020. 100% Highway Funds.

Funds are to be budgeted as follows:

From: 04-096-096-960015-363615-0000 Highway Surplus Account \$7,310,000.00

Table with 4 columns: Account Number, Current Budget FY2020, Requested Change, Revised Budget FY2020. Rows include Winter Maintenance, Expenses (017-070), Source of Funds (000-000015 Highway Funds), and Totals.

## EXPLANATION

The Department requests authorization to transfer from the Highway Surplus Account, the amount of \$7,310,000.00 for winter maintenance activities. Specific explanations relating to the Department's spending requests are as follows:

### Winter Maintenance (2928) 100% Highway Funds

Class 018	Increase Overtime by \$800,000
Class 020	Increase Current Expenses by \$3,500,000
Class 022	Increase Rents-Leases Other than State by \$2,800,000
Class 050	Increase Personal Service Temp Appoint by \$30,000
Class 060	Increase Benefits by \$160,000
Class 070	Increase In-State Travel Reimbursement by \$20,000

Due to projected costs of winter maintenance, the expenditures in the above class lines for snow removal and related activities will exceed the budget. Specifically, there are projected increased costs in overtime for Highway Maintainers (Class 18), regular pay for other non-Highway Maintainer employees who plow (Class 50), associated taxes and benefits (Class 60), additional callouts (especially in the North Country - Class 70), the need for additional salt/sand (Class 20), and an increase in rented equipment usage (Class 22).


For budgeting purposes, the Department estimates winter maintenance activities over a three-year average. However, for the Fiscal Year 2020 budget, winter maintenance activities were funded \$7.1M below the three-year average (2020 budget: \$45.5M vs. three-year average: \$52.6M). Due to projected costs of winter maintenance, the expenditures in the above class lines for snow removal activities and related equipment usage (increased use of overtime, salt/sand and hired equipment) will exceed the budgeted amount. At winter week 10 or 40% through the winter, the Department has expended 49.4% of the winter maintenance budget. At this time, the Department is estimating that it will need an additional \$7.3M from the Undesignated Highway Fund balance for winter maintenance. 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 (2015–2019):

Fiscal Year	2015	2016	2017	2018	2019
Transfer Requested	\$8,835,000	\$0	\$9,105,750	\$10,197,000	\$11,126,400
Lapsed Funds related to Winter Maintenance Transfer Request	993,439	0	562,396	1,304,343	1,529,174
Transfer Funds Expended For Winter Maintenance Activities	\$7,841,561	\$0	\$8,543,354	\$ 8,892,657	\$9,596,975

Your approval of this resolution is respectfully requested.

Sincerely,



Victoria F. Sheehan  
Commissioner

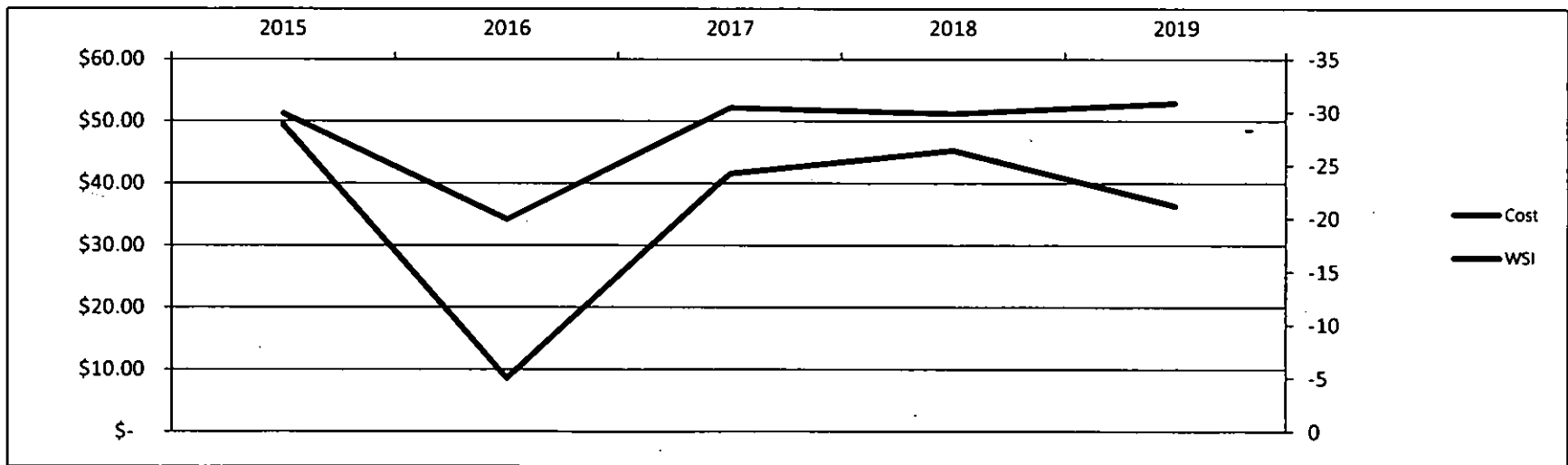
Attachments

**State of New Hampshire Department of Transportation**  
**Historical Highway Funded Winter Maintenance**  
**Fiscal Years 2014 - 2018 Actual vs 2020-2021 Budget**

	A	B	C	D	E	F	G	H	I	J	K	L	M
1	(In Millions)						3 Year	5 Year			Variance	Variance	
2		2015	2016	2017	2018	2019	Average	Average	2020 Budget	2021 Budget	to 3 yr Avg	to 5yr Avg	
3	Incremental Personnel Costs	\$ 7.5	\$ 5.1	\$ 9.0	\$ 8.5	\$ 8.8			\$ 6.1	\$ 6.1			
4	Commodities	14.0	8.4	13.6	14.2	16.3			10.3	10.4			
5	Rented Equipment	8.8	5.2	9.3	9.2	8.7			8.5	8.4			
6	Utilities/Misc Support	0.8	1.0	0.9	1.1	1.1			1.6	1.4			
7	<b>2928 Winter Maint: Total</b>	<b>31.1</b>	<b>19.7</b>	<b>32.8</b>	<b>33.0</b>	<b>34.9</b>	<b>33.6</b>	<b>30.3</b>	<b>26.5</b>	<b>26.3</b>	<b>(7.1)</b>	<b>(3.8)</b>	
13	Personnel Costs	14.8	10.8	14.6	14.4	15.7			14.9	14.9			
14	<b>3007 Highway Maint. Total</b>	<b>14.8</b>	<b>10.8</b>	<b>14.6</b>	<b>14.4</b>	<b>15.7</b>	<b>14.9</b>	<b>14.1</b>	<b>14.9</b>	<b>14.9</b>	<b>-</b>	<b>0.8</b>	
15	State Equipment Usage	5.3	3.6	4.7	3.8	3.9			4.1	4.1			
16	Fuel												
17	Maintenance												
18	<b>3005 Mechanical Svcs. Total</b>	<b>5.3</b>	<b>3.6</b>	<b>4.7</b>	<b>3.8</b>	<b>3.9</b>	<b>4.1</b>	<b>4.3</b>	<b>4.1</b>	<b>4.1</b>	<b>(0.0)</b>	<b>(0.2)</b>	
19	<b>TOTAL</b>	<b>\$ 51.2</b>	<b>\$ 34.1</b>	<b>\$ 52.1</b>	<b>\$ 51.2</b>	<b>\$ 54.5</b>	<b>\$ 52.6</b>	<b>\$ 48.6</b>	<b>\$ 45.5</b>	<b>\$ 45.3</b>	<b>\$ (7.1)</b>	<b>\$ (3.1)</b>	

22	<b>Winter Severity Index (WSI)</b>	<b>-28.88</b>	<b>-5.00</b>	<b>-24.27</b>	<b>-26.42</b>	<b>-21.15</b>	<b>-23.95</b>	<b>-21.14</b>
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23 \* WSI (winter severity index) is a formula that utilizes temperature and snow fall data.



State of New Hampshire-Dept of Administrative Services  
 Surplus Statement - Highway Fund  
 Fiscal Years 2018/2019 Actual with 2020/2021 Budget

1/17/2020

(expressed in millions)

Actual Actual  
 Per CAFR Per CAFR

Budget Budget  
 CoFC\* CoFC\*

	FY 2018	FY 2019	FY 2020	FY 2021
Undesignated Fund Balance, July 1 (Budgetary)	\$ 74.1	\$ 72.7	\$ 68.0	\$ 56.8
<b>Additions:</b>				
Unrestricted Revenue				
Gasoline Tax	127.9	129.8	130.2	132.3
Motor Vehicle Fees	121.4	122.1	120.2	114.9
Other	0.2	0.6	0.2	0.2
FY2020/2021: Plea-By-Mail Fines (Ch 282:44)			8.4	8.4
FY2020/2021: Real ID Fees (Ch 283:42)			0.4	0.5
Less: Cost of Collection, net of lapse-DOS	(25.8)	(26.2)	(31.8)	(32.2)
Other Credits (2020-HB 4 General Fund Transfer to Highway Fund \$3,963,000)	-	0.3	4.0	-
<b>Total Additions</b>	<b>223.7</b>	<b>226.6</b>	<b>231.6</b>	<b>224.1</b>
<b>Deductions:</b>				
Appropriations Net of Estimated Revenues-DOT	(203.3)	(207.1)	(221.8)	(230.0)
Appropriations Net of Estimated Revenues-DOS/Other	(34.6)	(34.2)	(35.7)	(36.3)
<b>Appropriations Net of Estimated Revenue SUBTOTAL</b>	<b>(237.9)</b>	<b>(241.3)</b>	<b>(257.5)</b>	<b>(266.3)</b>
<b>Additional Appropriations:</b>				
Transfer from Highway Surplus - Winter Maintenance	(10.2)	(11.1)		
Other Appropriation Adjustments	(1.1)	(0.5)		
<b>Less Lapse:</b>				
Lapse-DOT	23.3	20.1	12.5	12.5
Lapse-DOS/Other	2.6	3.3	1.5	1.5
<b>Subtotal Lapse</b>	<b>25.9</b>	<b>23.4</b>	<b>14.0</b>	<b>14.0</b>
Other (Debits)	(1.8)	(1.8)	0.7	0.7
<b>Total Deductions</b>	<b>(225.1)</b>	<b>(231.3)</b>	<b>(242.8)</b>	<b>(251.6)</b>
<b>Current Year Activity</b>	<b>(1.4)</b>	<b>(4.7)</b>	<b>(11.2)</b>	<b>(27.5)</b>
<b>Total Fund Balance, June 30 (Budgetary)</b>	<b>72.7</b>	<b>68.0</b>	<b>56.8</b>	<b>29.3</b>
GAAP and Other Adjustments	(28.5)	(27.4)	(24.0)	(24.0)
<b>Undesignated Fund Balance, June 30 (GAAP)</b>	<b>44.2</b>	<b>40.6</b>	<b>32.8</b>	<b>5.3</b>

\* Per Committee of Conference surplus statement; adjusted to reflect CAFR beginning budgetary surplus balance and RSA 9:5 revenue estimates

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