



State of New Hampshire

DEPARTMENT OF SAFETY
OFFICE OF THE COMMISSIONER
33 HAZEN DR. CONCORD, NH 03305
603/271-2791

JOHN J. BARTHELMES
COMMISSIONER

December 13, 2016

The Honorable Neal M. Kurk, Chairman
Fiscal Committee of the General Court
State House
Concord, New Hampshire 03301

[Signature]
Approved by Fiscal Committee Date *2/2/17*

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

Requested Action

Pursuant to RSA 14:30-a, VI, authorize the Department of Safety, Division of Motor Vehicles, to accept and expend revenue over estimates of \$132,410.00 in Agency Income - Cost of Collections to fund additional part-time hours for existing staff to assist with customer service during the implementation of the new driver licensing system. Effective upon Fiscal Committee and Governor and Council approval through June 30, 2017. 100% Agency Income (Cost of Collections).

The funds are to be budgeted as follows:

02-23-23-233015-29260000 Dept. of Safety – Div. of Motor Vehicles – Operations

Class	Description	SFY 2017 Current Authorized	Requested Action	SFY 2017 Revised Adjusted Authorized
009-407017	Agency Income	(6,464,721.00)	(132,410.00)	(6,597,131.00)
010-500100	Personal Service - Perm Class	2,894,698.00	0.00	2,894,698.00
018-500106	Overtime	154,000.00	0.00	154,000.00
020-500200	Current Expense	45,633.00	0.00	45,633.00
022-500255	Rents-Leases Other Than State	406,215.00	0.00	406,215.00
023-500291	Heat Electricity Water	90,592.00	0.00	90,592.00
024-500230	Maint Other Build-Grnds	26,322.00	0.00	26,322.00
030-500311	Equipment	24,990.00	0.00	24,990.00
039-500188	Telecommunications	244,094.00	0.00	244,094.00
050-500109	Personal Services - Temp	348,161.00	123,000.00	471,161.00
057-500531	Books	441.00	0.00	441.00
060-500601	Benefits	2,023,755.00	9,410.00	2,033,165.00
070-500704	In State Travel Reimbursement	27,480.00	0.00	27,480.00
103-500737	Contracts for Op Services	178,339.00	0.00	178,339.00
	Total	6,464,720.00	132,410.00	6,597,130.00

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Explanation

The Department requests authorization to accept and expend revenue over estimates of Agency Income - Cost of Collections in the amount of \$132,410.00 to fund additional part-time hours for existing employees to ensure a smooth transition during the implementation of the new driver licensing system, VISION. The Division of Motor Vehicles has been working on the development of the new system for several years, and as we near completion and implementation of the system, additional resources are required to maintain reasonable wait times at all locations as staff become proficient in the new system. Funds will be used to increase hours of existing part-time employees who are trained to handle different customer transactions collecting highway funds revenue.

This request will increase the Cost of Collections appropriations, which will result in a reduction of the net revenue amount transferred to the highway fund. However, the revenue plan amount year-to-date as of November FY 2017 is \$88.9 million, and the actuals year-to-date as of November FY 2017 are \$95.4 million. The highway fund revenue is currently ahead of plan, and therefore, this request is to accept and expend revenue over estimates.

Per the New Hampshire State Constitution - Part II - Article 6-a. [Use of Certain Revenues Restricted to Highways.] "All revenue in excess of the necessary cost of collection and administration accruing to the state from registration fees, operators' licenses, gasoline road tolls or any other special charges or taxes with respect to the operation of motor vehicles or the sale or consumption of motor vehicle fuels shall be appropriated and used exclusively for the construction, reconstruction and maintenance of public highways within this state, including the supervision of traffic thereon and payment of the interest and principal of obligations incurred for said purposes; and no part of such revenues shall, by transfer of funds or otherwise, be diverted to any other purpose whatsoever." In addition, RSA 9:9-a Collection of Highway Fund Revenue indicates, "Pursuant to part II, article 6-a of the New Hampshire constitution, any costs associated with the collection and administration of highway funds by the department of safety shall be deducted by the department before such funds are credited to the highway fund."

Additional funding is needed in lieu of a transfer of appropriations from authorized class lines due to limited availability of excess appropriations. The VISION project was originally scheduled to be implemented during FY2016. Although significant efforts were expended to try to meet the original date, the system was not ready for deployment during FY2016. As a result, associated appropriations were not budgeted in overall Division of Motor Vehicles' class lines.

The funds are to be budgeted as follows:

Class 050 To pay for additional part-time hours for existing employees

Class 060 To pay for benefits associated with the additional part time salaries

The following information is provided in accordance with the comptroller's instructional memorandum dated September 12, 1981.

1) *List of personnel involved:* 22 part-time positions.

2) *Nature, Need, and Duration:* This request will allow for an increase in hours of existing part-time personnel who are currently trained to process customer transactions. The additional resources are needed as all DMV staff will be training to utilize the new system. In order to maintain reasonable wait times during system implementation, additional resources are anticipated through June 30, 2017.

3) *Relationship to existing agency programs:* The current part-time employees are fully trained to handle customer transactions. Increasing available part-time hours is the most efficient way to deploy additional resources during system implementation.

4) *Has a similar program been requested of the legislature and denied?* No

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5) *Why wasn't funding included in the agency's budget request?* The VISION project was originally scheduled to be implemented during FY2016. Although significant efforts were expended to try to meet the original date, the system was not ready for deployment during FY2016.

6) *Can portions of the grant funds be utilized?* No.

7) *Estimate the funds required to continue this position:* Estimated wages based on 16 employees at their current rate of pay, increasing from current number of hours to 29.5 per week and 6 employees to 40 hours per week upon approval from the Department of Administrative Services - Division of Personnel.

Respectfully submitted,


John J. Barthelmes
Commissioner of Safety

**Fiscal Situation
Cost of Collections**

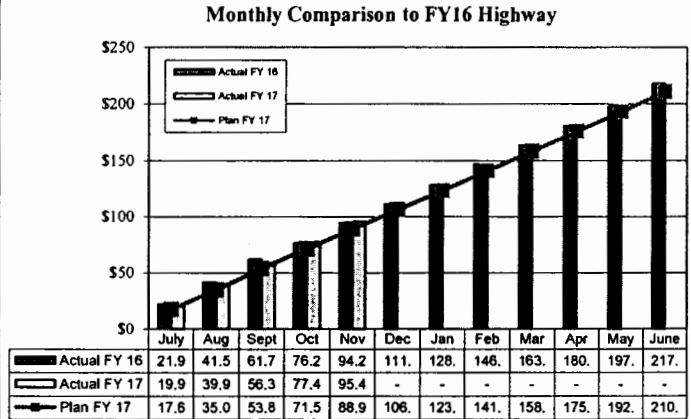
SFY 2017 HB1 Appropriations:

Accounting Unit 3110 - Road Toll Administration	1,431,107.00
Accounting Unit 3120 - Road Toll Audit	960,679.00
Accounting Unit 2311 - Driver Licensing	3,803,084.00
Accounting Unit 2312 - Motor Vehicle Registration	1,624,326.00
Accounting Unit 2314 - Certificate of Title	1,976,153.00
Accounting Unit 2926 - Operations	6,269,621.00
Accounting Unit 3098 - Credit Card Fees	364,000.00
Accounting Unit 3100 - Admin - Div of Motor Vehicles	8,922,623.00
Accounting Unit 3101 - Pupil Transportation	112,309.00
Accounting Unit 3109 - International Registration Program	452,242.00
Accounting Unit 2315 - Financial Responsibility	1,261,852.00
Internal Indirect Cost	2,571,467.00
Total SFY 2017 Appropriations	\$ 29,749,463.00

SFY 2017 Estimated Revenue Per HB 1	<u>239,400,000.00</u>
Projected Revenue to the Highway Fund (Plan)	209,650,537.00
Excess Actuals Over Plan as of November 2016	6,500,000.00
Amount of this Request	<u>\$ 132,410.00</u>
Balance After Request	<u>\$ 6,367,590.00</u>

Highway Fund

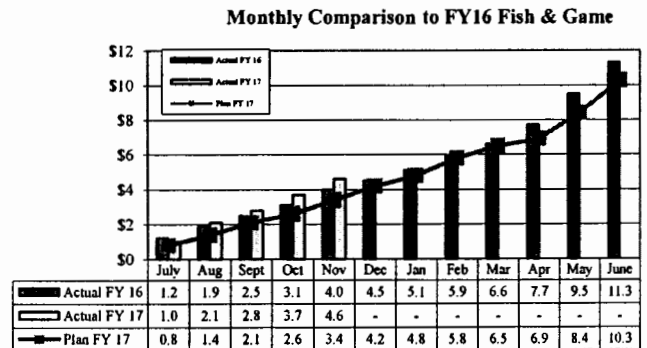
COMPARISON TO PLAN				
Revenue Category	year-to-date			FY 16 Actuals
	FY 17 Actuals	FY 17 Plan	Actual vs. Plan	
Gasoline Road Toll	\$54.4	\$52.6	\$1.8	\$54.0
Miscellaneous	-	0.3	(0.3)	0.6
Motor Vehicle Fees				
MV Registrations	30.1	24.8	5.3	30.5
MV Operators	3.6	3.0	0.6	1.6
Inspection Station Fees	1.4	1.4	-	1.5
MV Miscellaneous Fees	3.5	4.0	(0.5)	3.7
Certificate of Title	2.4	2.8	(0.4)	2.3
Total Fees	41.0	36.0	5.0	39.6
Total	\$95.4	\$88.9	\$6.5	\$94.2



According to Road Toll Operations, actual fuel consumption is up approximately .83% YTD over the same period last year. The Highway Fund Plan for FY 2017 represents revenues included within HB1 (Ch. 275, Laws of 2015) adjusted for the removal of \$29.7 million of revenue associated with the cost of collection, which is no longer classified as unrestricted highway fund revenue and is instead classified as restricted revenue, per the Committee of Conference Highway Fund Surplus Statement. Actual collections have also been adjusted for this change.

Fish & Game Fund

COMPARISON TO PLAN				
Revenue Category	year-to-date			FY 16 Actuals
	FY 17 Actuals	FY 17 Plan	Actual vs. Plan	
Fish and Game Licenses	\$3.9	\$2.8	\$1.1	\$3.3
Fines and Penalties	0.1	-	0.1	0.1
Miscellaneous Sales	0.2	0.2	-	0.2
Federal Recoveries Indirect Costs	0.4	0.4	-	0.4
Total	\$4.6	\$3.4	\$1.2	\$4.0



SALES OF CIGARETTE STAMPS

Total sold (calendar month) July through November for each of last five years
(number of stamps, in thousands)

Prepared from data provided by DRA

	Sales of Stamps	Volume Change	Percent Change
2017	50,792	(2,260)	-4.3%
2016	53,052	2,011	3.9%
2015	51,041	(3,394)	-6.2%
2014	54,435	2,400	4.6%
2013	52,035	(3,843)	-6.9%

All funds reported on a cash basis, dollars in millions.