New Hampshire Department of Transportation

NHDOT Overview and Governor’s Recommended Budget 2022-2023

House Finance Division II Briefing
February 22, 2021
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 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
Bridge Design
Environment
Construction
Materials & Research
Project Management
Right-of-Way
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
Call 271-1484 for Commissioners & Directors
Key Facts About NHDOT

- 1,650 permanent employees
- 2,161 State Bridges
  - State Red List – 125 (5.8%)
- 1,688 Municipal Bridges
  - Municipal Red List – 243 (14.4%)
- All bridges inspected every two years, red list bridges inspected more frequently
Key Facts About NHDOT

– Approx. 4,606 centerline miles of roadway managed (additional 300 town maintained)

– Annual paving totals 550 centerline miles per year

– Maintain more than 100,000 highway signs, 75 million feet striping, 440 traffic signals

– 195 miles active state-owned rail lines

– 24 Publicly accessible airports

– 11 Local Public Transit Systems
Funding Summary

- FY 2020 Actual Expenditures = $681 million
  - Municipal Aid and Construction Costs = $419 million
  - Operating Costs = $262 million

- Comprised of various funding sources
  - Highway (36%), Federal (35%), Turnpike (19%), Other (9%), General (1%)
History of Authorized Full-Time Positions

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<tr>
<td>Actual, Actual, Actual, Actual, Actual, Actual, Actual, Actual, Actual, Actual, Actual, Actual, Actual, Actual, Actual, Actual</td>
<td>1,828</td>
<td>1,828</td>
<td>1,734</td>
<td>1,727</td>
<td>1,650</td>
<td>1,650</td>
<td>1,639</td>
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</table>

* Increase in authorized positions is for 3 Shared Service Center positions transferred from Dept. of Administrative Services due to elimination of bureau and increase in 1 Transit position that is 100% Federally funded.

**Increase in authorized positions is for 7 new position requests, 1 in Aeronautics and 6 in Highway Operations Division.
Funding Summary

FY2022 Governor’s Recommended Budget $674 million
• Municipal Aid and Construction Costs = $354 million
• Operating Costs = $320 million

FY2023 Governor’s Recommended Budget $684 million
• Municipal Aid and Construction Costs = $350 million
• Operating Costs = $334 million
Aeronautics, Rail and Transit Systems

**Aeronautics**
- 24 Open-to-the-Public Airports
- 12 Federally Funded Airports
- FFY19: Granted $23.3M
- 3 Commercial airports
- 9 Block Grant Airports
- 12 Airports do not receive Federal Aid.
- CY19: $545K in Revenue from Aviation Registration Fees.

**Rail**
- 6 active operator agreements
- 4 freight service
- 2 tourist service
- 195 miles active state-owned rail lines
- 339 miles abandoned/inactive state-owned rail lines

**Public Transit**
- 11 Local Public Transit Systems
- Intercity/Commuter service
- Boston Express
- Community Transportation
  (Human Service/Volunteer Driver)
General Fund

- Funds Aeronautics and Railroad Bureaus
- Transit Bureau funded with primarily Federal funds
  - Budget includes $200 thousand per year of General funds for transit operators Federal match

- FY2022 General Fund Budget $1.5M
- FY2023 General Fund Budget $1.6M

Additional Need funded by Governor:
- Aeronautics Principal Planner – UAS (Drones)
Turnpike System Overview

• 3 Turnpike Segments
• 89 Miles Long
• 172 Bridges
• 8 Toll Facilities
• 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
• FY20: 110 million transactions
  $131 million total revenue
## Turnpike Fund Historical Revenue

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<tbody>
<tr>
<td><strong>Toll Revenue</strong></td>
<td>$117.7</td>
<td>$117.9</td>
<td>$117.9</td>
<td>$117.2</td>
<td>$118.5</td>
<td>$123.6</td>
<td>$129.6</td>
<td>$130.5</td>
<td>$134.1</td>
<td>$145.1</td>
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<td>6.8</td>
<td>6.6</td>
<td>8.7</td>
<td>8.4</td>
<td>0.7</td>
<td>0.5</td>
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<td><strong>Total Revenue - Turnpike Fund</strong></td>
<td>$120.5</td>
<td>$118.9</td>
<td>$123.5</td>
<td>$121.1</td>
<td>$122.4</td>
<td>$127.8</td>
<td>$135.7</td>
<td>$137.3</td>
<td>$140.7</td>
<td>$153.8</td>
<td>$138.2</td>
<td>$121.4</td>
<td>$127.1</td>
<td>$132.6</td>
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</tbody>
</table>

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

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![Graph of Turnpike Fund Historical Revenue](image)
COVID-19 Impacts

Weekly Percent Differences: 2021 vs. 2020 vs. 2019*
Concord I-93 Exit 12-13 (Station #02099092)
(Based on same day of week of previous years 2020 and 2019)
* 9/9/20-9/29/20,10/19/20-10/20,10/22/20,10/24/20,11/12/20,12/10/20-12/31/20
based on same day of

New Hampshire DOT
Department of Transportation
# COVID-19 Impacts

NHDOT - Bureau of Turnpikes
Estimates of Collected Revenue from Tolls ($Ms)

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<tr>
<th></th>
<th>FY 2020</th>
<th>FY 2021</th>
<th>FY 2022</th>
<th>FY 2023</th>
<th>FY 2024</th>
<th>FY 2025</th>
<th>FY 2026</th>
<th>FY 2027</th>
<th>FY 2028</th>
<th>FY 2029</th>
<th>FY 2030</th>
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<td>Difference from Oct 2019 T&amp;R</td>
<td>-$14.9</td>
<td>-$23.4</td>
<td>-$12.0</td>
<td>-$10.7</td>
<td>-$10.5</td>
<td>-$9.1</td>
<td>-$8.6</td>
<td>-$8.2</td>
<td>-$8.0</td>
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<td>-$8.1</td>
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<td>Percent Reduction</td>
<td>-11.1%</td>
<td>-17.4%</td>
<td>-9.0%</td>
<td>-7.9%</td>
<td>-7.6%</td>
<td>-6.5%</td>
<td>-6.1%</td>
<td>-5.7%</td>
<td>-5.5%</td>
<td>-5.5%</td>
<td>-5.5%</td>
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</tbody>
</table>
Turnpike Fund

- COVID-19 impacts on revenue necessitated a 7.5% budget reduction in FY22
- FY23 budget flat to FY22
- No Additional Prioritized Needs were requested
- All operations, maintenance, debt service and R&R requirements have been funded within the FY22/23 Budget
- Overall projected long-term revenue reduction will require delay of some capital projects by 1 to 2 years
Highway Fund

- Highway Fund is not the DOT and DOT is not the Highway Fund.

- Fund which unrestricted revenue from gas tax/road toll and registration fees is collected by Dept. of Safety

- Also Fund which federal construction reimbursement, GARVEE bond and TIFIA proceeds are collected

- Primary source of funding for Operating Budget

- Revenue from Highway Fund appropriated to various agencies, DOT, Safety, Judicial Branch and Justice

- In 2020 59% of Highway Fund appropriated to DOT, 26% to other Agencies, 15% to Municipalities
### Unrestricted Revenue (Highway Funds)

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<td>Gas Road Tolls</td>
<td>$123.7</td>
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<td>$124.9</td>
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<td>$125.8</td>
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<td>$127.5</td>
<td>$117.6</td>
<td>$123.7</td>
<td>$124.9</td>
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<td>Motor Vehicle Fees</td>
<td>103.2</td>
<td>94.2</td>
<td>104.4</td>
<td>107.5</td>
<td>110.4</td>
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<td>97.9</td>
<td>119.2</td>
<td>123.9</td>
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<tr>
<td>S30 Reg. Surcharge</td>
<td>38.9</td>
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<tr>
<td>Subtotal Road Toll &amp; Motor Vehicle Fees</td>
<td>265.8</td>
<td>248.9</td>
<td>229.3</td>
<td>230.8</td>
<td>231.3</td>
<td>236.2</td>
<td>208.7</td>
<td>214.5</td>
<td>216.4</td>
<td>219.8</td>
<td>215.5</td>
<td>233.6</td>
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<td>Court Fines</td>
<td>8.0</td>
<td>8.2</td>
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<td>7.0</td>
<td>6.8</td>
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<td>5.7</td>
<td>5.7</td>
<td>5.1</td>
<td>4.3</td>
<td>4.5</td>
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<td>Miscellaneous</td>
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<td>19.3</td>
<td>21.4</td>
<td>0.8</td>
<td>0.4</td>
<td>0.3</td>
<td>0.2</td>
<td>0.6</td>
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<td>Retro Turnpike Toll Credits *</td>
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<td>2.1</td>
<td>1.4</td>
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<tr>
<td>I-95 Sale</td>
<td>30.0</td>
<td>20.0</td>
<td>26.0</td>
<td>26.0</td>
<td>15.0</td>
<td>14.2</td>
<td>0.4</td>
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<td>Cost of Collections</td>
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<td>25.1</td>
<td>28.7</td>
<td>28.1</td>
<td>26.2</td>
<td>28.0</td>
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<td>30.3</td>
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<tr>
<td><strong>Total Unrestricted Revenue - Highway Fund</strong></td>
<td><strong>$339</strong></td>
<td><strong>$300</strong></td>
<td><strong>$284</strong></td>
<td><strong>$285</strong></td>
<td><strong>$254</strong></td>
<td><strong>$258</strong></td>
<td><strong>$241</strong></td>
<td><strong>$250</strong></td>
<td><strong>$250</strong></td>
<td><strong>$252</strong></td>
<td><strong>$249</strong></td>
<td><strong>$238.1</strong></td>
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</table>

Notes: Beginning in FY16 Cost of Collections was restricted and removed from Unrestricted Revenue. In FY20 Plea by Mail revenue was moved from restricted (Safety Detective Bureau) to Unrestricted and amounted to $5.6M. Source: State CAFR Revenue Reports

*Toll credits can be applied to projects retroactively, i.e., after project authorization. The Department received Federal revenue reimbursement for match funds paid in prior years with Highway Funds.*

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**Total Unrestricted Revenue - Highway Fund**

![Graph showing total unrestricted revenue over time](image-url)
Highway Fund

- Department required funding reduction of 7% in Agency phase for FY22 and 1% increase in FY23.
  - Reduced fleet equipment
  - Reduced preventative maintenance
    - Bridge Washing
    - Guardrail repairs
    - Tree trimming and brush clearing
    - Graffiti removal
  - Reduced temporary positions for Engineering intern program

- $41M in Federal funding for state highway’s included in the 2020 Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act used to displace highway fund expenditures in FY22.
- HB1817, Chapter Law 162:25, appropriated general funds to the Department of Transportation for bridge projects into a nonlapsing account. HB2 includes language for $8.1 million of unspent appropriations to lapse to the Highway Fund.
DOT Requested Additional Needs Funded - Highway

- Debt Service and Block Grant increases funded
- $12M over biennium increase for Winter Maintenance
  - Funds winter maintenance at 3 year average
- Transfer to DoIT for Office 365
- Transfer to General Services for building maintenance
- Transfer to Justice for AG support of DOT
- Project Development Engineering Intern Program
DOT Requested Additional Needs Not Funded - Highway

- $6.4M per year Fleet equipment increase to fund at recommended replacement criteria
- $0.45M per year equipment for Bridge Maintenance and Traffic Bureaus
- Preventative Maintenance
  - $0.9M per year Guardrail maintenance and repairs
  - $1.7M per year Bridge washing
- Telematics devices, equipment and software maintenance for Mechanical Services of $0.7M over biennium
- ITS device repairs and maintenance and consultant for TSMO Bureau $0.31M over biennium
- Graffiti Removal $0.40M over biennium
- $2M per year for FHWA payback related to Conway Bypass
Issues & Challenges

- Highway Fund revenue and structural insolvency
- Operations and Maintenance needs
  - Fleet under budgeted: $2M+/yr vs. $8M+/yr required
  - Preventative Maintenance backlog
  - Uncompetitive rates and shortage of hired trucks
- Loss of SB367 revenue toward paving/bridges
- Limited State funding for Non-Fed eligible state roads
  - 3,460 miles Fed-Aid Eligible
  - 1,142 miles Ineligible for Fed-Aid
- Staffing, current vacancy rate of 15%
- Transit funding
- State match for the Federal Highway Program
- State Aid Bridge program
## Fleet Statistics Summary

**Fiscal Year 2021 Fleet Statistics as of July 1, 2020**

### Replacement Evaluation Criteria

<table>
<thead>
<tr>
<th>Category</th>
<th>Category Description</th>
<th># Units</th>
<th>Approx. Replacement Costs (Total Fleet) (D x H)</th>
<th># Exceeds Life Age or Usage</th>
<th>% of Fleet Exceeding Parameters</th>
<th>Current Replacement Class Totals (Sum of I)</th>
<th>Target Funding Level / Yr. (D/A x H)</th>
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<tr>
<td>0963800</td>
<td>MECHANICAL SERVICES</td>
<td>1258</td>
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<td>EHDT</td>
<td>Trucks_ExtraHeavy Duty &gt;45000#</td>
<td>70</td>
<td>$17,378,000</td>
<td>20</td>
<td>29%</td>
<td>$7,196,000</td>
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<td>HDT</td>
<td>Trucks_Heavy Duty &gt; 20001#</td>
<td>260</td>
<td>$41,855,000</td>
<td>70</td>
<td>27%</td>
<td>$11,340,000</td>
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<tr>
<td>MDT</td>
<td>Trucks_Medium Duty &gt; 10001#</td>
<td>62</td>
<td>$5,570,000</td>
<td>15</td>
<td>24%</td>
<td>$1,345,000</td>
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<td>LDT1</td>
<td>Trucks_Light Duty &lt; 8501#</td>
<td>141</td>
<td>$2,953,000</td>
<td>28</td>
<td>20%</td>
<td>$591,000</td>
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<td>LDT2</td>
<td>Trucks_Light Duty &gt; 8501#</td>
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<td>$4,836,000</td>
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<td>17%</td>
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<td>PASSAUTO</td>
<td>Passenger Autos_</td>
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<td>$1,462,500</td>
<td>16</td>
<td>20%</td>
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<td>VB1</td>
<td>Vans &amp; Buses_1 seats 9-20</td>
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<td>Trailers_Enclosed</td>
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<td>AE</td>
<td>Associated Equipment_</td>
<td>312</td>
<td>$7,790,000</td>
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<td>1%</td>
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<td>Total=</td>
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<td>$33,037,500</td>
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<td>$33,037,500</td>
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<td>Planned FY20 &amp; FY21 Acquisitions</td>
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<td>$102,710,500</td>
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<td>$102,710,500</td>
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<td>$16,268,133</td>
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<td>$8,896,863</td>
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**Notes:**
- Approx. acquisition costs paid to purchase the current fleet: $73.7 million
- Approx. depreciated value of the current fleet: $36.4 million
- Column K: ‘Target Funding Level / Yr.’ represents a per year requirement for equipment replacement based on expected life.
- Planned FY20 & FY21 Acquisitions include equipment ordered and in various stages of being placed in service.

To catch up over time:
- 1 yr $16,769,367
- 5 yrs $3,353,873
- 10 yrs $1,676,937
- 15 yrs $1,117,958

*New Hampshire DOT
Department of Transportation*