



New Hampshire Department of Transportation

Agency Overview & Revenues Discussion

Finance Division II

January 29, 2025

Mission and Purpose

Mission

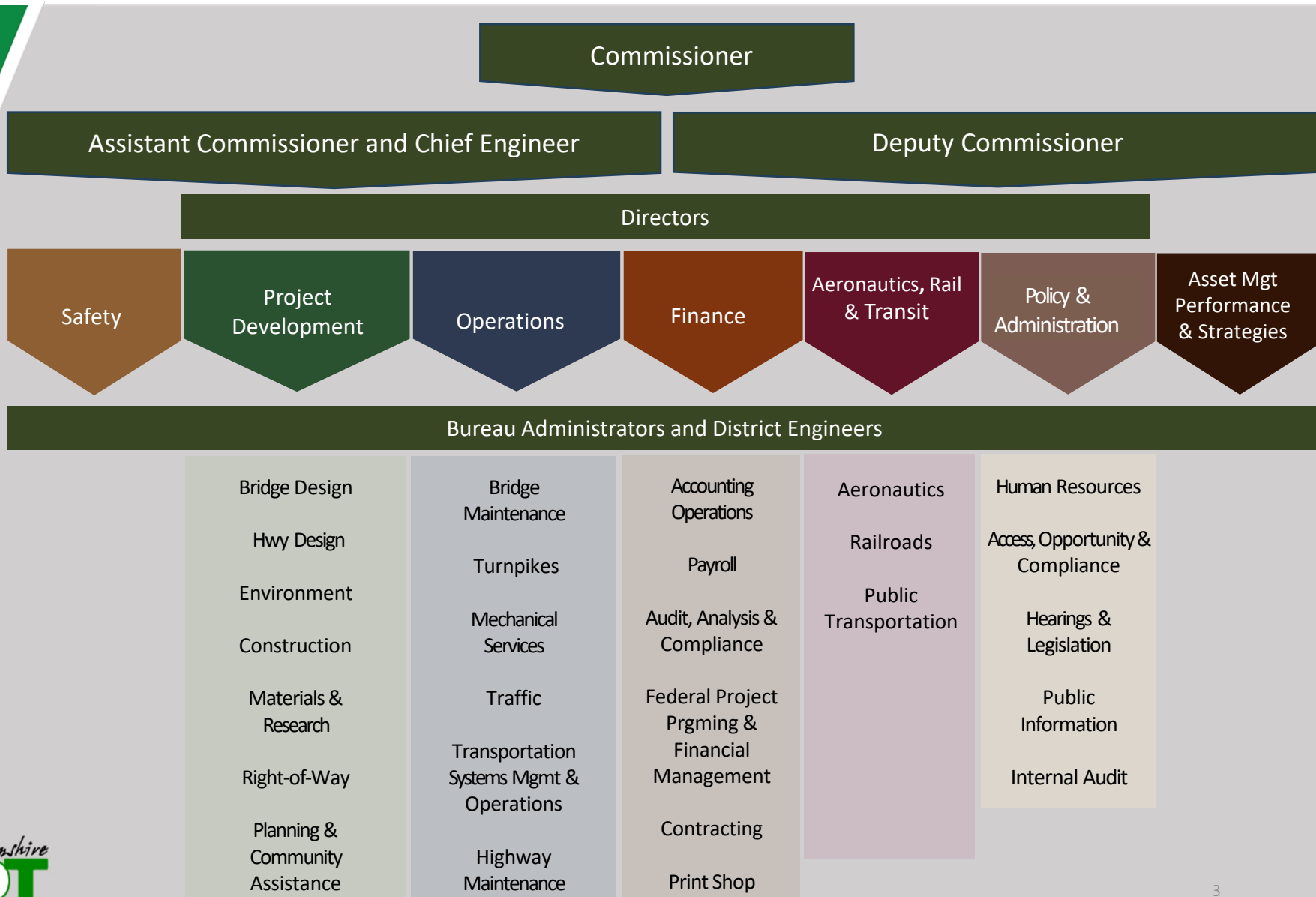
Transportation excellence enhancing the quality of life in New Hampshire

Purpose

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

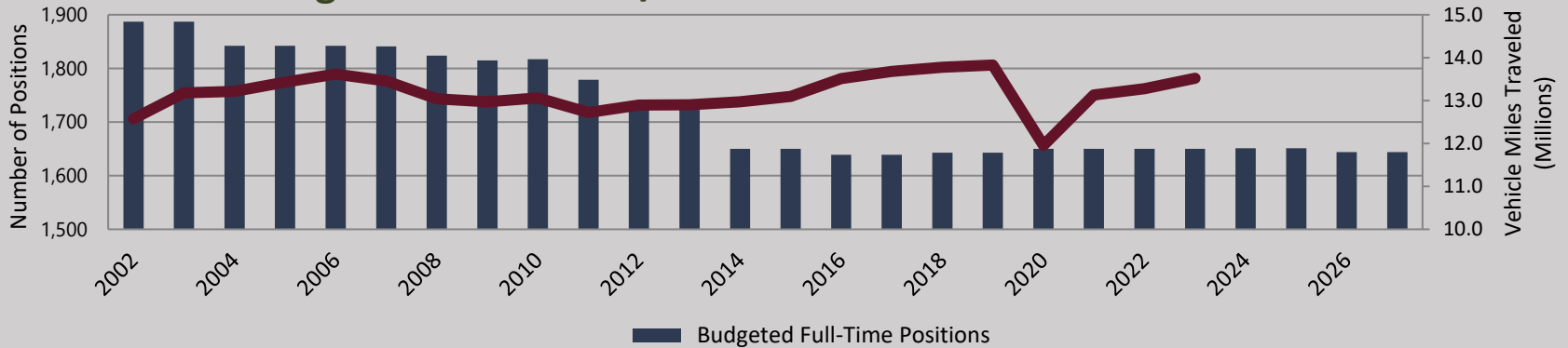
The Department of Transportation will provide safe and secure mobility and travel options for all the state's residents, visitors, and goods movement, through a transportation system and services that are well-maintained, efficient, reliable, and provide seamless interstate and intrastate connectivity.

Organizational Structure



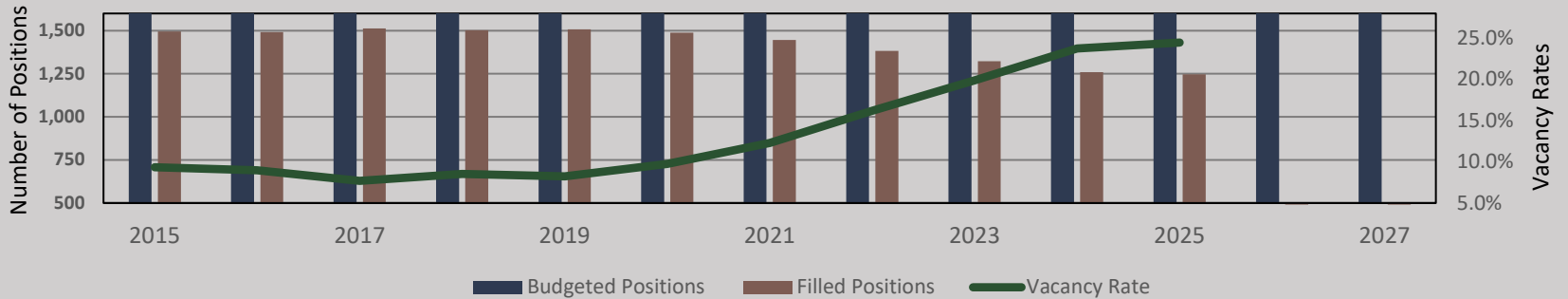
Positions and Trends

Budgeted Positions w/ Vehicle Miles Traveled Trendline



Note: 2023 VMT data is provided per HSIP reporting by NHDOT to FHWA. Release date for 2023 FHWA Highway Statistics TBD.

Budgeted and Filled Positions w/Vacancy Rate Trendline



Key Facts About NHDOT

- 1,650 permanent positions
- 2,159 State Bridges
 - State Red List – 115
- 1,698 Municipal Bridges
 - Municipal Red List – 213
- All bridges inspected every two years, red list bridges inspected more frequently



(Bridge numbers based on 2023 Bridge Report)

Key Facts About NHDOT

- Approx. 4,606 centerline miles of roadway managed (additional 300 town maintained)
- Annual paving target approx. 550 centerline miles per year
- Maintain more than
100,000 highway signs
68 million feet striping
440 traffic signals
550 beacons
- 194 miles active state-owned rail lines
- 25 Publicly accessible airports
- 11 Local Public Transit Systems



DOT Funding Sources

Federal Funds: NHDOT receives revenue from several federal agencies on a reimbursement basis to carry out federal aid eligible transportation projects. These funds are restricted in use and mode.

- FHWA – Federal Highway Administration – for surface transportation programs
- FTA – Federal Transit Administration – generally pass-thru funding for transit programs and providers
- FAA – Federal Aviation Administration – generally pass-thru funding for eligible airport facilities

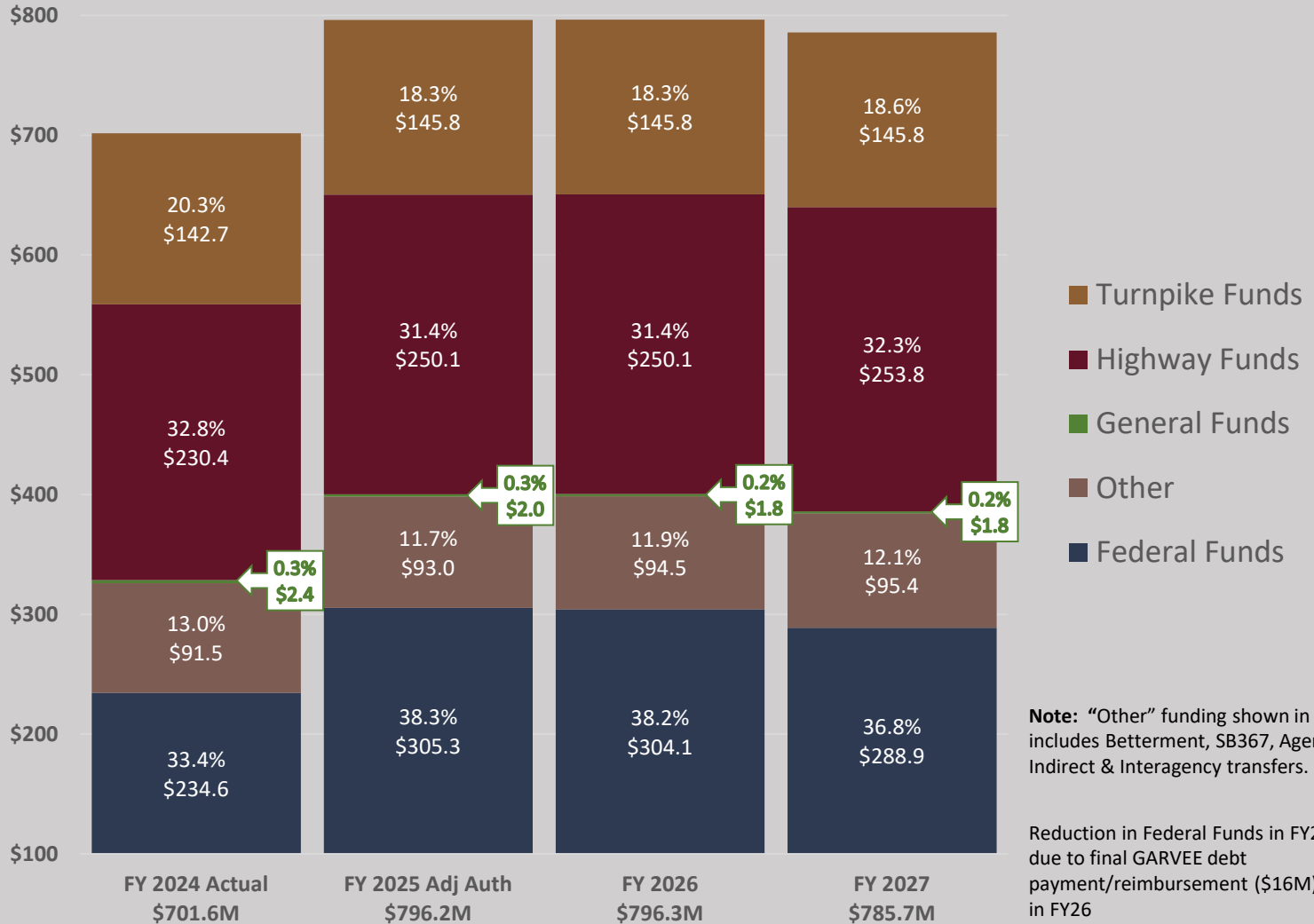
Highway Funds: Primary revenue source for operations and maintenance of surface transportation infrastructure, Block Grant Aid, State-Aid bridge program, and debt service. This revenue is generated primarily through Road Toll (gas tax) and Vehicle Registration Fees and appropriated via RSA primarily to the Departments of Transportation and Safety. The use of funds is restricted by the State Constitution to surface transportation.

Turnpike Funds: Turnpike Toll Revenue is the primary source of funding for capital projects, operations & maintenance, and the payment of debt service. Restricted by RSA, revenue generated from tolls can only be used on the Turnpike System.

General Funds: Very small portion of the operating budget primarily used to support non-surface transportation areas including Aeronautics, Rail, and Transit programs. General funds have also been used to fund specific highway needs where highway funds were not available and have been added to the Highway Fund to balance the budget.

Capital Funds: Primarily used to fund non-federal matches for transit and aeronautics, and (non-roadway or turnpike construction) department facilities and infrastructure. Funding is approved through the capital budget process and results in general obligation bonds to the State.

Funding Summary – Type of Funds



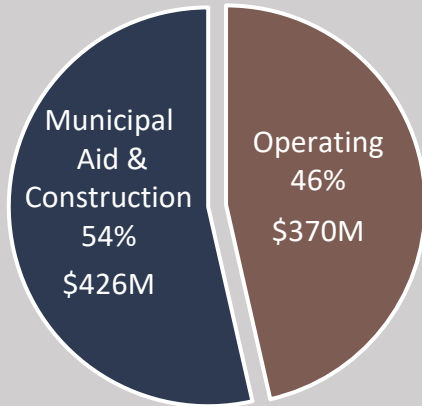
Note: "Other" funding shown in table includes Betterment, SB367, Agency Indirect & Interagency transfers.

Reduction in Federal Funds in FY27 due to final GARVEE debt payment/reimbursement (\$16M) in FY26

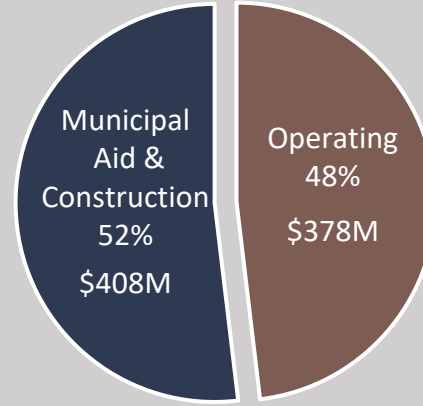
Funding Summary

FY 2026-2027 Agency Budget

FY 2026 - \$796M



FY 2027 - \$786M



Funding Sources	FY 2026	FY2027
Unrestricted Funds	% of Budget	% of Budget
Highway Funds	31.4%	32.3%
Turnpike Funds	18.3%	18.6%
General Funds	0.2%	0.2%
Restricted Funds		
Federal Funds - FHWA, FTA, FAA	38.2%	36.8%
Other Funds - Fees, Matches	11.9%	12.1%

Aeronautics, Rail and Transit Systems

Aeronautics

- 25 Open-to-the-Public Airports
- 12 Federally Funded Airports
 - FFY22: Granted \$46m
- 3 Commercial airports
- 10 Block Grant Airports
- 12 Airports do not receive Federal Aid.

CY21: \$471K in all Revenue from Aviation Registration Fees.



Rail

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



Public Transit

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



Revenue Review

Aeronautics, Rail, and Transit Programs

Program	Total	Federal	General	Other	Positions
Aeronautics	4,003,032	51%	33%	16%	8
Railroad	1,781,484	0%	24%	76%	5
Transit	26,977,049	99%	0%	1%	7
Division Revenue	32,761,565	88%	5%	7%	20

Revenue Facts:

- Pass-thru Federal funding is the primary source of revenue for Aeronautics and Transit programs (FAA and FTA)
- Federal funding match for FAA budgeted with Capital Funds; Transit State match budgeted with General Funds.
- General funds are revenue source for personnel costs to manage both Aeronautics and Railroad programs as well as for indirect costs.

Challenges:

- FTA and FAA programs require non-Federal matches for program execution.
- FTA and FAA limit/preclude use of federal funds for benefits, overhead and indirect charges increasing burden on General Funds.
- Railroad section does not have sufficient revenue to adequately respond to significant events or system failures.

FY 2024 Accomplishments

Administration of Federal relief funding in addition to traditional funding sources.

Departmental UAS implementation and integration and establishment of relationships with other state agencies

Project Development Revenue Overview

Federal Funds along with restricted Highway Funds are the primary revenue sources for the DOT's Project Development Division.

The Project Development Division includes 374 positions responsible for the following:

- Ten Year Transportation Improvement Plan every two years
- Approximately \$225M/year in Federal Highway Administration program including:
 - Development and Oversight of Highways and Bridge designs
 - Environmental compliance
 - Right of Way property purchases, sales, and management
 - Management of Municipal pass-thru programs to cities & towns
 - Management and oversight of construction projects.

FY 2024 Accomplishments

Added 57 new construction contracts; provided construction oversight on 84 active projects for a combined total of \$750 million.

Advertised contract value of \$350 million.



Project Development Revenue Overview

Total revenue approximately \$373M. Primary sources of funds include the following:

- Federal Highway Administration(FHWA) Funds:
 - Approximately \$225M
 - Funds the Ten-Year Plan
 - Direct and Indirect Federal revenue reimbursements relieve Highway Fund pressures for funding personnel costs
 - Less is available for funding additional projects
 - Turnpike Toll Credits are used exclusively for the required non-Federal match:
 - Credits are earned on Construction and Renewal and Replacement work done on the Turnpike system and are regulated and approved by FHWA.
- Restricted Highway Funds:
 - Betterment (2.6 cents – road toll) – Used primarily for the paving program
 - Block Grant Aid (2.2 cents – road toll plus 12% motor vehicle fees) – approximately \$35M to cities and towns
 - SB367 (4.2 cents – road toll) –
 - Available funds shift from Paving and Bridge Repairs to debt payments for the TIFIAA loan (see next page).

SB367 Waterfall Schedule

STATE OF NEW HAMPSHIRE								
SB 367 - AMENDMENT #2015-1810s								
BUDGETARY ESTIMATES WITH TIFIA FINANCING								
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	Non-Pledged Paving and Bridge Repair	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 Actual	\$34,477,878	\$4,100,346	\$2,179,929	\$6,800,000	-			\$21,397,604
2024 Actual	\$32,062,678	\$4,137,345	\$2,171,893	\$6,800,000	-			\$18,953,440
2025 Adj/Auth	\$37,253,064	\$3,847,521	\$2,180,964	\$6,800,000	-			\$24,424,579
2026 Agency Budget	\$34,382,458	\$4,470,368	\$23,410,706	\$6,501,385	-		\$0	\$0
2027 Agency Budget	\$34,434,032	\$4,125,895	\$23,410,706	\$6,800,000	-		\$97,431	\$0
2028	\$34,089,692	\$4,132,084	\$23,410,706	\$6,546,902	-		\$0	\$0
2029	\$33,748,795	\$4,090,763	\$23,410,706	\$6,247,326	-		\$0	\$0
2030	\$33,445,056	\$4,049,855	\$23,410,706	\$5,984,494	-		\$0	\$0
2031	\$33,144,050	\$4,013,407	\$23,410,706	\$5,719,938	-		\$0	\$0
2032	\$32,845,754	\$3,977,286	\$23,410,706	\$5,457,762	-		\$0	\$0
2033	\$32,550,142	\$3,941,490	\$23,410,706	\$5,197,946	-		\$0	\$0
2034	\$32,257,191	\$3,906,017	\$21,784,683	\$6,566,491	-		\$0	\$0
2035	\$0	\$0	\$0	\$0	-	-	\$0	\$0
TOTAL	\$679,579,564	\$77,678,685	\$224,328,495	\$132,139,830	\$16,600,000	4,000,000.00	97,431.24	\$232,735,122

¹ - FY2025 Enacted Budget (HB 1 2023); FY2026 and FY2027 Agency Phase Budget; FY2028 - 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.

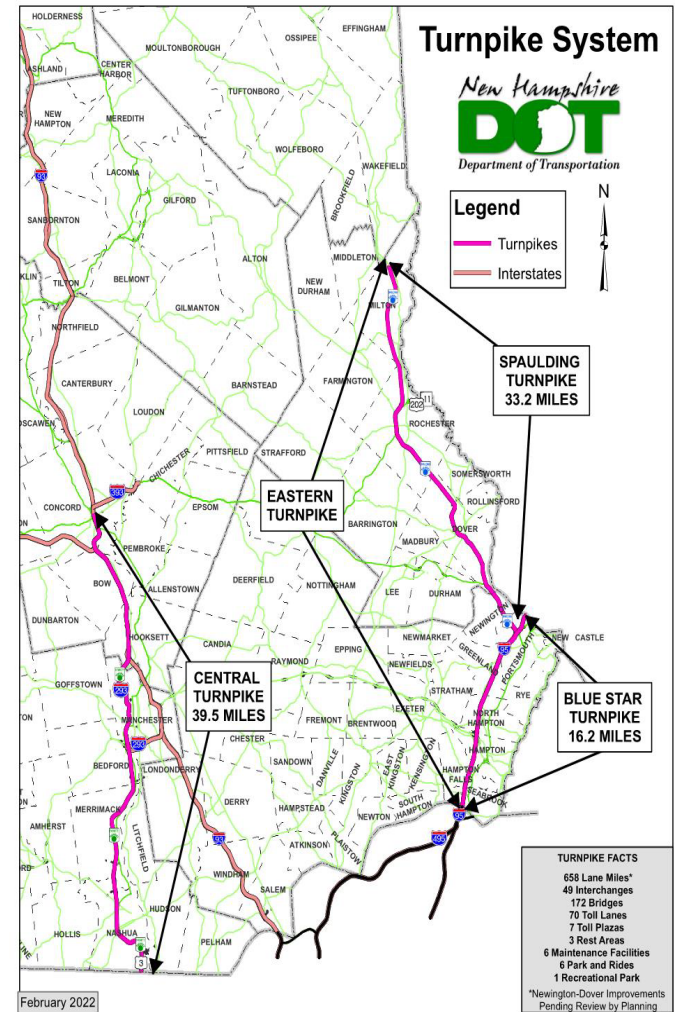
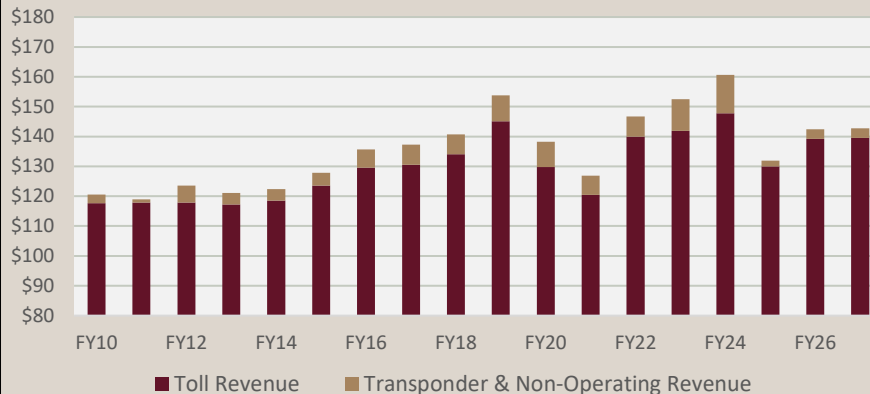
Turnpike Fund Revenue Overview

- 3 Turnpike Segments
- 89 Miles Long, 172 Bridges, 7 Toll Plazas, 183 positions

- Enterprise Fund – Per RSA, All toll revenue must be used on/for the Turnpike System
- Turnpike Toll Revenue pays for:
 - Debt Service
 - Operating & Maintenance Costs
 - R&R Work
 - Capital Improvements

- FY24: 118M transactions \$161M total revenue
- Projected revenue budgeted flat

Turnpike Fund Historical Revenue



Highway Fund Revenue Overview

Unrestricted Highway Fund revenue is the primary funding source for DOT's Operations and Maintenance. These programs/services are generally not eligible for Federal funding.

DOT Operations and Maintenance includes 965 positions responsible for the following:

Highway Maintenance: Comprised of 6 districts, 87 patrol sheds; used for road maintenance, winter operations, response to emergency events impacting roads, and management of district paving programs.

Bridge Maintenance: Comprised of 12 bridge construction crews; responsible for maintaining state bridges.

Traffic: Responsible for roadway line striping, signs, signals, and speed limits.

Mechanical Services: 7 garages across the state; responsible for maintaining State vehicle fleet.

Fuel Distribution: 92 fuel sites; responsible for maintaining vehicle fleet/fuel distribution system.

Transportation Systems Mgt Operations (TSMO): Traffic Management Center; maintains traffic management networks.

FY 2024 Accomplishments

Development and implementation of Electronic Permitting System

Stabilized and opened roads and bridges at 79 locations from 3 declared storm events



Highway Fund Revenue Overview

Highway Fund Revenue is generated primarily from gas tax/road toll and registration fees and collected by Department of Safety.

Road Toll: 22.2 cents

- 13.2 cents – unrestricted highway fund
- 2.2 cents – municipal aid (Block Grant)
- 2.6 cents – Betterment
- 4.2 cents – SB367 (TIFIAA loan, etc)

Motor Vehicle Fees –

- 12% Block Grant Aid
- remainder to unrestricted highway fund

Highway Fund revenue usage is restricted by the NH Constitution for surface transportation use only.

Highway Fund usage by agencies is restricted thru RSA 9:9-b as follows:

- 73% DOT (includes approx. 12% municipal aid)
- 26% DoS
- 1% Other Agencies (Judicial Branch, Justice, etc.)

Highway funds are DOT's primary source of funding for Operations and Maintenance on State roads and bridges.

Revenues from the Highway Fund are also appropriated to various agencies including DOT, Safety, the Judicial Branch, and Justice.

Status of the Highway Fund:

Due to increases in vehicle fuel efficiencies and minimal increases in traffic, revenue generated from gas tax is relatively flat and projected to decline over the long term.

One time fixes and General Fund infusions during the budget process have occurred to address funding shortages.

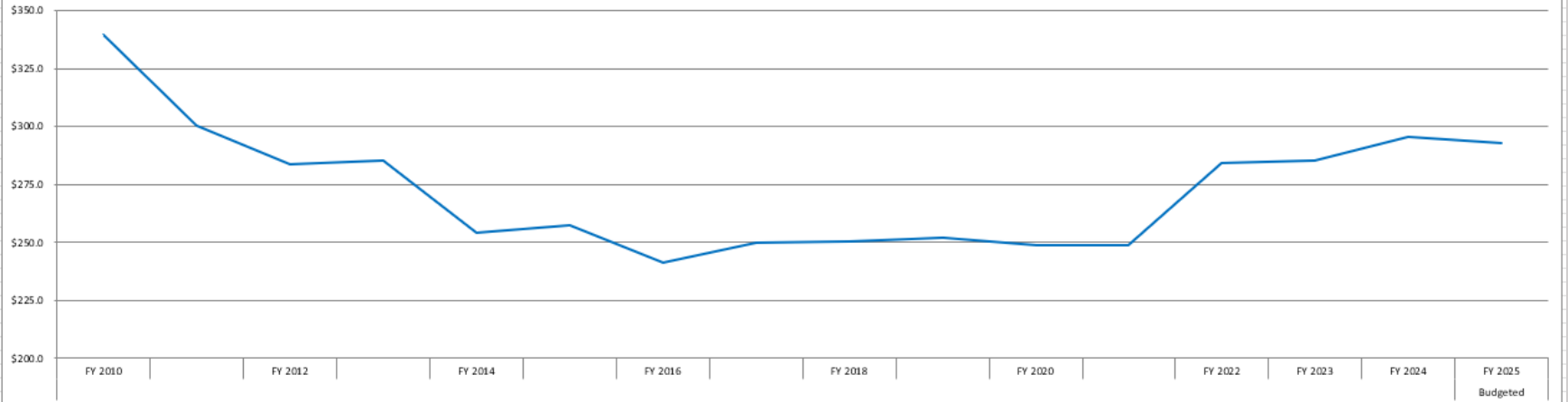
Structural deficit – Expenditures outpacing revenues

Highway Fund Revenue History

State of New Hampshire Department of Transportation History of Unrestricted Highway Fund Revenue

Unrestricted Revenue (Highway Funds)																
	FY 2010		FY 2012		FY 2014		FY 2016		FY 2018		FY 2020		FY 2022	FY 2023	FY 2024	Budgeted FY 2025
Gas Road Tolls	\$ 123.7	\$ 125.0	\$ 124.9	\$ 123.3	\$ 124.7	\$ 125.8	\$ 123.6	\$ 124.6	\$ 126.1	\$ 127.5	\$ 117.6	\$ 118.3	\$ 123.9	\$ 124.5	\$ 126.7	\$ 125.6
Motor Vehicle Fees	103.2	94.2	104.4	107.5	106.6	110.4	85.1	89.9	90.3	92.3	97.9	98.8	127.7	129.6	132.3	128.9
\$30 Reg. Surcharge	38.9	29.7														
Subtotal Road Toll & Motor Vehicle Fee	265.8	248.9	229.3	230.8	231.3	236.2	208.7	214.5	216.4	219.8	215.5	217.1	251.6	254.1	259.0	254.5
Court Fines	8.0	8.2	7.8	7.0	7.2	6.8	6.9	6.2	5.7	5.7	5.1	4.7	5.7	3.2	5.0	5.9
Miscellaneous	22.9	21.0	19.3	21.4	0.8	0.4	0.3	0.3	0.2	0.6	0.1	(0.1)	0.6	-	-	-
Retro Turnpike Toll Credits *	12.7	2.1	1.4													
I-95 Sale	30.0	20.0	26.0	26.0	15.0	14.2	0.4									
Cost of Collections							25.1	28.7	28.1	26.2	28.0	27.1	26.2	28.1	31.4	32.5
Total Unrestricted Revenue - Highway	\$ 339.4	\$ 300.2	\$ 283.8	\$ 285.2	\$ 254.3	\$ 257.6	\$ 241.4	\$ 249.7	\$ 250.4	\$ 252.3	\$ 248.7	\$ 248.8	\$ 284.1	\$ 285.4	\$ 295.4	\$ 292.9

Total Unrestricted Revenue - Highway Fund



Issues and Challenges

- **Inflation**

- Increased labor and material costs

- **Workforce/Vacancies**

- Historically high vacancy rate (24%)
- Difficulties attracting and retaining employees
- Difficulties hiring plow operators and hired trucks due to non-competitive wages

- **Productivity**

- Falling short of targets
- Prioritizing resources to critical areas
- Reduced preventative maintenance