



THE STATE OF NEW HAMPSHIRE
DEPARTMENT OF TRANSPORTATION



Victoria F. Sheehan
Commissioner

August 10, 2017

William Cass, P.E.
Assistant Commissioner

Jim Maggiore, Chairman of Selectmen
Town of North Hampton
233 Atlantic Avenue
North Hampton, NH 03862

RECEIVED

AUG 14 2017

RE: SENATE BILL 38 LOCAL HIGHWAY AID

Dear Mr. Maggiore:

In recognition of the need for improvements to local transportation systems, Governor Sununu and the legislature adopted Senate Bill (SB) 38 which has provided an additional \$30 million to be distributed to the State's 234 municipalities for local highway aid. The Department distributed the funds as a one-time lump sum payment to the municipalities on August 2, 2017. The distribution resulted in a number of questions.

The purpose of this letter is to respond to those questions and provide clarification on the uses and process for receiving and expending the funds.

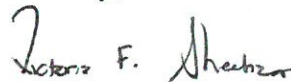
- The additional funding was distributed based on the same formula as Apportionment A of Highway Block Grant Aid as defined in RSA 235:2 Section I.
 - Half of the amount received was based on Class IV and V highway miles in each municipality in proportion to the total statewide municipal Class IV and V highway miles.
 - Half of the amount received was based on the municipal population in proportion to the total state population.
- The uses for SB 38 local highway aid are similar to the Highway Block Grant Aid Apportionments A and B for municipal highway construction, reconstruction or maintenance purposes.
- SB 38 local highway aid is specifically intended to be used for highway purposes that do not already have locally budgeted and approved funding. The funding is not to be used to supplant funds that are already locally budgeted and approved funds for road or bridge maintenance or construction activities.
- For example:
 - SB 38 funding can be used to do additional paving beyond what has approved funding.
 - SB 38 funding can be used for portions of local highways such as sidewalks, drainage, pavement markings, traffic signals, guardrail, bridges, etc.
 - SB 38 funding can be used as the match for municipal bridge projects or phases of projects that do not have local funding already approved.
 - SB 38 funding can be used for equipment necessary and totally dedicated to maintenance of local highways.
 - SB 38 funding cannot be used for municipal needs other than highways.
- The funds are non-lapsing.
- The Senate Bill 38 Distribution can be found at:
<https://www.nh.gov/dot/business/documents/sb-38-bga-distribution071817.pdf>
- Additional information can be found in RSA 234:23 and 234:25 and at the Highway Block Grant Aid Description that can be found at:
<https://www.nh.gov/dot/business/documents/bgafunddescriptions.pdf>

SB 38 included provisions enabling municipalities to accept and expend the funds. The NH Department of Revenue Administration (NHDRA) issued the enclosed letter to provide additional information on those provisions and requirements.

NHDOT recommends that municipalities document how the SB 38 funds were expended in anticipation of reporting and/or auditing being required.

Hopefully, we have provided answers to questions you have as you move forward with expending the funds on local highway needs. If you have further questions, please contact the NHDOT Bureau of Planning and Community Assistance at 603-271-3344 or bureau.462@dot.nh.gov.

Sincerely,



Victoria F. Sheehan
Commissioner

VFS/dmp
Enclosure

cc: Honorable Christopher T. Sununu, Governor
Honorable Chuck Morse, Senate President
Honorable Shawn N. Jasper, Speaker of the House
Judy Silva, NHMA Executive Director
Stephen Hamilton, NHDRA
William Watson, NHDOT