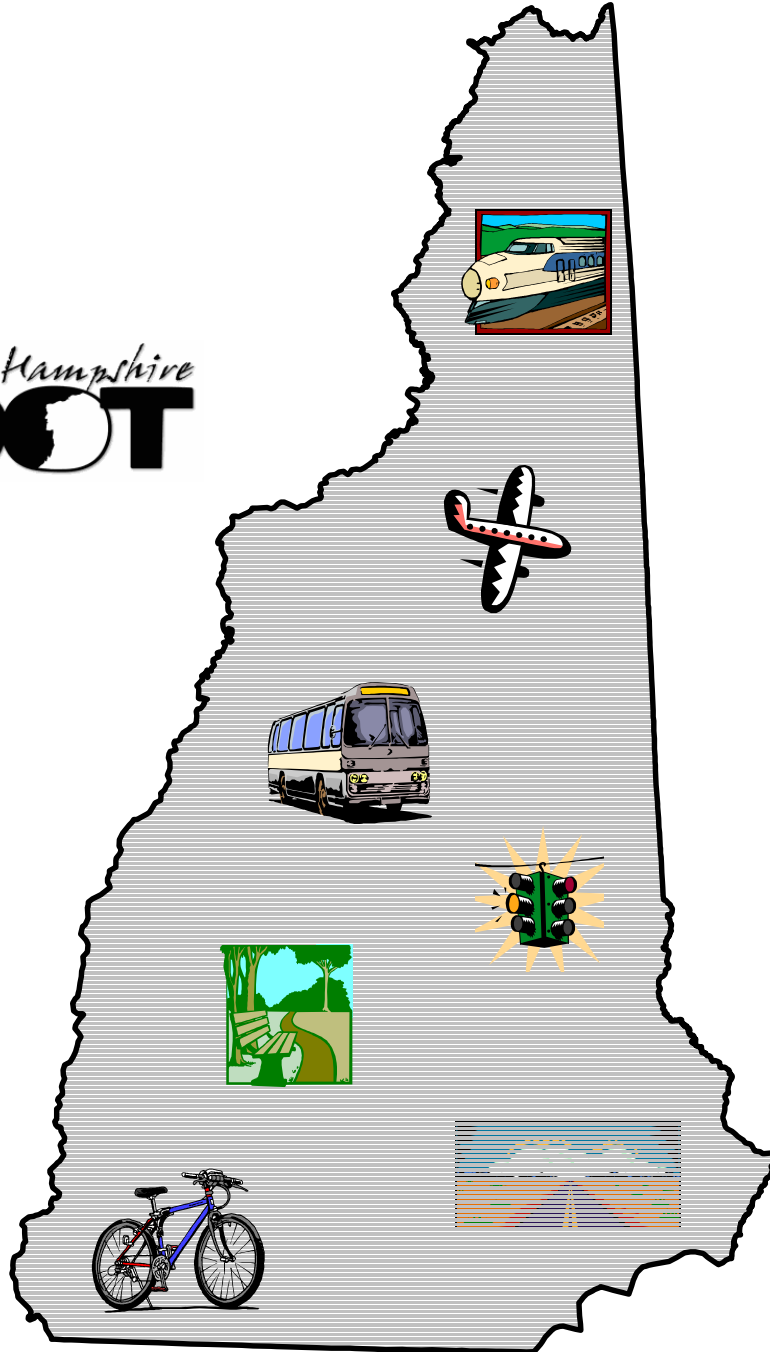


# Federal Aid Transportation Funding Program For New Hampshire

New Hampshire  
**DOT**



Prepared by the New Hampshire Department of Transportation  
Bureau of Transportation Planning  
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## **HOW IS NEW HAMPSHIRE ALLOCATED FEDERAL TRANSPORTATION FUNDING?**

Federal Transportation Legislation identifies levels of funding that could be made available to states based upon expected federal revenues. These funding levels, or **authorizations** set the baseline for future funding and spending levels. These authorizations are made or modified through Federal Surface Transportation Acts or other special federal legislation. The most recent examples are shown below:

**The Intermodal Surface Transportation Efficiency Act (ISTEA)** of 1991 established requirements for extensive planning and flexibility of federal funds for projects, including Transportation Enhancement, Surface Transportation Program, Bridge, and Congestion Mitigation and Air Quality projects.

**The NHS Designation Act of 1995** defined the National Highway System for the United States. This highway network was identified as being important for the nation's economy, defense and mobility. The Act also made adjustments to funding authorizations that exceeded those that were set up in ISTEA.

**The Transportation Equity Act for the 21st Century (TEA - 21)** was signed into law in 1998. This Act re-affirmed the goals of ISTEA and provided increased funding and flexibility to the states to provide safer and more efficient transportation facilities and networks.

**Apportionments** are made **annually** by the Congress for the Federal Fiscal year (from October 1 – September 30 of the following year). These apportionments break down the general categories of funding identified in the authorizing legislation. They identify the amount of money available to specific funding categories on a national and state level in Formula and Non-Formula funding categories. These apportionments are made through two major sources, Federal Highway Administration (FHWA) and Federal Transit Administration (FTA). Typically, FHWA funds are used for highway related projects and FTA funds are used for transit related projects.

*Formula* funding categories are those that are typically defined through legislation and remain constant over the life of that legislation. Categories include Interstate Maintenance, National Highway System, Surface Transportation Program, Bridge Program, Congestion Mitigation and Air Quality, and Transportation Enhancement.

In addition, other apportionments (*also known as Non-Formula or allocations*) are made for special funding categories such as Scenic Byways and Forest Highway Programs where funding levels can change substantially from year to year. Specific congressionally designated projects such as the Manchester Airport Access Road and Nashua River Bridge with a defined amount of money allotted to them.

## **HOW CAN NEW HAMPSHIRE SPEND THE FEDERAL TRANSPORTATION MONEY IT RECEIVES EACH YEAR?**

**Obligational Authority** - The amount of federal money received from the Federal Highway Administration that can be spent in a given Federal Fiscal year (October 1 through September 30 of the following year) is called the obligational authority/limitation. This money can be money received in the given fiscal year or in a previous fiscal year if there are any unobligated balances remaining for a particular funding category. The actual amount to be received each year by the States is determined by annual Appropriations Bills passed by Congress.

The amount in the Appropriations Bill usually does not match the amount shown in the Transportation Act and in most years the amount is less than in the Transportation Act. As a result, states will end up with unobligated (leftover) balances in certain funding categories at the end of each fiscal year.

***NEW HAMPSHIRE TO DATE HAS NOT LAPSED ANY AUTHORIZED OBLIGATIONAL AUTHORITY***

### **Hard Match and Soft Match:**

Most of the Federal Funds come with a matching requirement – i.e. part of the total cost requires a state or local contribution, commonly called the match. FHWA Funds typically require a 10% or 20% match amount. This match amount can be a cash match, also known as hard match or operating budgets pledge, known as soft match.

For example, the Congestion Mitigation and Air Quality (CMAQ) projects require a 20% match. A public service announcement project selected for CMAQ funding pledged broadcast time as a soft match.

The formula and other apportionments for each year from 1992 are as shown in the following table:

**NEW HAMPSHIRE APPORTIONMENTS (In Millions)**

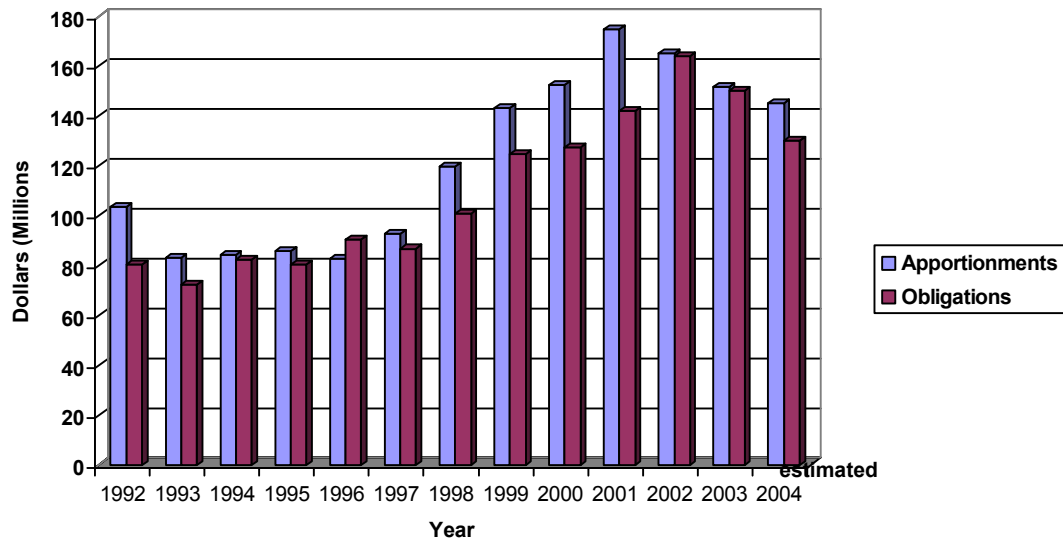
<b>Year</b>	<b>Formula</b>	<b>Other</b>	<b>Total</b>
<b>1992</b>	\$102.4	\$1.1	\$103.5
<b>1993</b>	\$82.4	\$0.6	\$83.0
<b>1994</b>	\$82.7	\$1.5	\$84.2
<b>1995</b>	\$85.2	\$0.6	\$85.8
<b>1996</b>	\$80.4	\$2.4	\$82.8
<b>1997</b>	\$91.6	\$1.0	\$92.6
<b>1998</b>	\$110.7	\$8.9	\$119.6
<b>1999</b>	\$128.2	\$15.0	\$143.2
<b>2000</b>	\$136.6	\$15.8	\$152.4
<b>2001</b>	\$145.5	\$29.2	\$174.7
<b>2002</b>	\$146.3	\$18.9	\$165.2
<b>2003</b>	\$127.0	\$24.5	\$151.5
<b>2004 (Estimated)</b>	\$145.0	Data unavailable	145.0

The total Obligations in New Hampshire for each year since 1992 is shown in the following table:

**NEW HAMPSHIRE'S OBLIGATIONALS (In Millions)**

<b>Year</b>	<b>Formula</b>	<b>Other</b>	<b>Total</b>
<b>1992</b>	\$79.4	\$1.1	\$80.5
<b>1993</b>	\$71.7	\$0.5	\$72.2
<b>1994</b>	\$80.7	\$1.6	\$82.3
<b>1995</b>	\$79.9	\$0.6	\$80.5
<b>1996</b>	\$88.1	\$2.3	\$90.4
<b>1997</b>	\$85.6	\$1.1	\$86.7
<b>1998</b>	\$99.3	\$1.4	\$100.7
<b>1999</b>	\$114.4	\$10.4	\$124.8
<b>2000</b>	\$118.1	\$9.2	\$127.3
<b>2001</b>	\$128.0	\$14.1	\$142.1
<b>2002</b>	\$135.4	\$28.5	\$163.9
<b>2003</b>	\$130.3	\$19.9	\$150.2
<b>2004 (Estimated)</b>	\$130.0	Data unavailable	\$130.0

The total Apportionments and Obligations in the State of New Hampshire since 1992 are compared in the following graph:



The above apportionments and obligational limitations are in place for federal funds administered through the Federal Highway Administration (FHWA) and do not include Forest Highways funding program. In addition to FHWA funding, New Hampshire also receives annual appropriations from the Federal Transit Administration (FTA).

Most of the Federal Aid Funding categories provide enough flexibility to allow their use for the implementation of any of the projects in the State’s Ten-Year Transportation Program. However, some funding categories can only be used for the purpose designated. For instance, in 2003 these included the following:

**Established by Federal Law for Fiscal Year 2003 (Federal dollars)**

- Recreational Trails \$ 0.6 Million
- Congestion Mitigation and Air Quality (CMAQ) \$ 7.6 Million
- Transportation Enhancement (TE) \$ 3.1 Million
- Statewide Planning and Research (SPR) \$ 1.9 Million
- Metropolitan Planning (MPO) \$ 1.0 Million
- Railroad Crossings \$ 0.6 Million
- Interstate Maintenance \$ 17.1 Million

Total: \$31.9 Million

Also, funding is provided for Congressionally designated projects. Those funds can only be used on the project designated. In 2003, these were as follows:

**Congressionally Designated Project Funding (FY 03 Amount – Federal dollars)**

- High Priority, Demonstration, Etc. \$12.8 Million
- Total: \$12.8 Million

Within the State’s Ten-Year Transportation Improvement Plan, federal funding has been designated by the State for specific project types yearly. In 2003, these were as follows:

**Established by the State of New Hampshire (Federal dollars)**

- Federal Aid Pavement Program \$10.0 Million
  - Statewide Pavement Markings \$ 1.5 Million
  - Statewide Signing Upgrades \$ 0.4 Million
  - Municipal Urban Projects \$ 4.0 Million
  - Federal Funded Municipal Bridges \$ 3.2 Million
  - Annual Training Program \$ 0.2 Million
  - Rural Technical Assistance Program \$ 0.2 Million
  - Statewide Guardrail Replacement \$ 0.8 Million
  - Statewide DBE Program \$ 0.2 Million
- Total: \$20.5 Million

**Total of Above Three Categories: \$65.2 Million**

Assuming \$140 million in Federal Aid is obligated in a given year and subtracting the \$65.2 million noted herein, there is about \$74.8 million available to use on other projects.

## **HOW CAN NEW HAMPSHIRE'S TRANSIT FUNDING BE USED?**

Most of the transit funding that New Hampshire receives annually can fall into two categories: The Urbanized Area Formula Grants Program provides transit capital and operating assistance to urbanized areas with populations of more than 50,000, and the Formula Grants for Other than Urbanized Areas (Rural Area Funds) Program provides transit capital and operating assistance, through the States, to non-urbanized areas (less than 50,000 in population). These funds are appropriated annually to the individual states. Funds are also made available on an annual basis for elderly and disabled grant applications and other smaller categories. And, as with apportionments received from FHWA, congressional designations or earmarks can be made for funding as well.

Manchester, Nashua and COAST (Cooperative Alliance for Seacoast Transportation) are New Hampshire's three Urbanized Area Formula Grants Program recipients. They administer and operate their respective transit systems and receive annual apportionments directly from FTA.

These funds can be used for such things as operation costs to facilities and equipment, capital expenses including preventative maintenance, ADA requirements, leasing, and transit enhancements. Rural Area Funds and Elderly and Disabled Funds are available annually to transit providers on a competitive basis under State Management Plans approved by FTA and administered by NHDOT.

As with FHWA funds, most of the FTA funds come with a matching requirement – i.e. part of the total cost requires a state or local match. FTA funds typically require a 20% or 50% match amount.

The table below shows the amount of FTA funding New Hampshire has received in urban, rural, and elderly and disabled funds since 1997:

<b>Year</b>	<b>Urban Funds</b>	<b>Rural Funds</b>	<b>Elderly and Disabled Funds</b>
<b>1997</b>	\$2,079,451	\$1,037,116	\$321,031
<b>1998</b>	\$2,418,722	\$1,193,979	\$345,580
<b>1999</b>	\$2,673,292	\$1,568,244	\$365,158
<b>2000</b>	\$2,908,063	\$1,687,391	\$388,483
<b>2001</b>	\$3,079,104	\$1,717,006	\$406,684
<b>2002</b>	\$3,374,678	\$1,891,845	\$436,043
<b>2003</b>	\$4,335,418	\$1,823,313	\$455,921

## **HOW ARE PROJECTS CHOSEN FOR FUNDING IN NEW HAMPSHIRE?**

Projects chosen for funding are normally selected from the Statewide Transportation Improvement Program (STIP). In the State of New Hampshire, the Ten-Year Transportation Improvement Plan is an intermodal plan of transportation projects, as developed and updated every two years under RSA 228:99 and RSA 240.

The Ten Year Plan identifies projects, a schedule of when those projects would occur, and suggested funding categories (as defined by federal legislation in the case of federal funds) that can be used to implement the design and construction of the projects in the Program.

The Ten Year Plan is developed through the cooperative efforts of: Local Governments, Regional Planning Commissions (RPC's) and Metropolitan Planning Organizations (MPOs), New Hampshire Department of Transportation (NHDOT), Governor's Advisory Commission on Intermodal Transportation (GACIT), the Governor, and the New Hampshire Legislature. Throughout the Ten Year Plan development there are also numerous opportunities for public involvement and input.

The process of updating the Ten Year plan is a two-year cycle, starting in even numbered years (Example 2000, 2002, 2004 and so on) and completed in the next even numbered year. This process is as summarized below:

Dec. 15	Even Year	RPCs/MPOs Ten Year Plan (TYP) Update begins
May 1	Odd Year	RPCs/MPOs Submit Draft TIP to NHDOT
July 15	Odd Year	NHDOT Submits Draft Ten Year Plan to GACIT
Dec. 1	Odd Year	GACIT Submits Draft Ten Year Plan to the Governor
Jan. 15	Even Year	Governor Submits Ten Year Plan to Legislature
June 1	Even Year	Legislature Approves Ten Year Plan
June 15	Even Year	NHDOT Submits Ten Year Plan to RPCs/MPOs
July 30	Even Year	MPOs Approve 3 Year TIP's
Sep. 1	Even Year	NHDOT Submits 3 Year STIP to Federal Highway Administration (FHWA) and Federal Transit Administration (FTA) for Approval
Oct. 1	Even Year	Approved 3 Year STIP

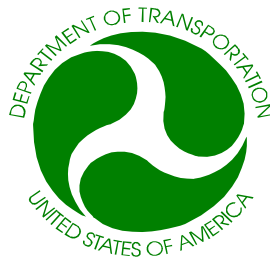


Once a project is a part of the Ten Year Transportation Plan it goes through a project process that may involve:

1. Planning
2. Preliminary engineering
3. Environmental assessments
4. Public hearings
5. Federal and State approvals
6. Final Design
7. Right-of-Way acquisition
8. Construction
9. Operation and Maintenance

## **HOW IS THE STATE OF NEW HAMPSHIRE REIMBURSED?**

Funds spent by NHDOT through Planning, Design, Environment, Right-of-Way and Construction are accumulated and invoiced weekly to the Federal Highway Administration.



The Federal Highway Administration (FHWA) reimburses the State Treasurer by electronic transfer, promptly after they are invoiced (in many instances the same day).