



DATA POINTS

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The Highway Fund Diversion: What Does Safety's Cut Pay For?

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As detailed in an earlier piece on the Highway Fund diversion¹, the Department of Safety receives a sizeable portion of the revenue raised by the state Highway Fund. Historically the Department has received roughly between 24% and 32% of the amount collected, net of block grants to the municipalities.

	FY 13, as Budgeted (in millions)
Administrative	
~ Various Administrative Functions	\$7.83
~ Department of Information Technology Transfer	\$8.79
~ General Personnel Costs	\$4.20
Sub-Total	\$20.82
Motor Vehicles	
~ Department of Motor Vehicles	\$16.69
~ Non-DMV, Motor Vehicle Related	\$2.20
Sub-Total	\$18.89
Division of State Police	
~ Traffic Bureau	\$27.40
~ Enforcement	\$5.11
~ Forensic and Toxicology Labs	\$3.45
~ Administrative	\$0.78
Sub-Total	\$36.74
Grand Total	\$76.45

This diversion, however, is completely constitutional. In 1938, the New Hampshire Constitution was amended, requiring all taxes and fees related to roads, fuel, and motor vehicles be dedicated to highway construction and maintenance. It was passed after attempts were made in the previous session to divert highway taxes to other purposes. While the purpose of the amendment was to "prohibit the use of motor vehicle taxes and gasoline taxes being used for any purpose but for highways," the language specifically allows funds to be spent for "the supervision of traffic thereon." That carve out authorizes funds, now segregated in the dedicated Highway Fund, to pay for things such as the state troopers who patrol the highways.

¹ <http://www.jbartlett.org/charting-the-highway-fund-diversion>

Contrary to popular belief, it does not all go to the State Police, which accounts for just under half of the Highway Fund money spent at the Department. Rather, the diversion funds pay for a number of activities, which can be broken up into three categories: Administrative, Motor Vehicles and the Division of State Police.

Administrative: \$21.26 Million

The largest single expense under the Administrative grouping is the transfer to the Department of Information Technology (DOIT). DOIT is unique in that rather than receiving appropriations directly, it is funded nearly entirely through transfers from other state agencies. The Department of Safety transferred \$8.79 million in FY13 in Highway Funds to DOIT, which accounted for nearly 87% of the Department of Safety's total transfer.

There are a number of back office functions performed by the Department of Safety that are paid for by the Highway Fund such as the Road Toll Collection and Audit and the Office of Policy and Planning among nearly a dozen others. Combined they total \$7.83 million.

General Personnel Costs account for \$4.2 million in Highway Funds, which goes largely to retiree health insurance and pension costs.

Motor Vehicles: \$18.89 million

At \$16.65 million, the largest piece of this category is the Division of Motor Vehicles itself, which handles automobile titles and registrations as well as driver licensing. Roughly 98% of the DMV's total budget came from the Highway Fund. The Bureau of Hearings, which hears license suspension cases and appeals accounts for the remaining \$2.2 million spent in this category.

State Police: \$36.74

At \$27.4 million, the vast majority of the Division of State Police's portion of the Highway Fund revenue goes to pay for the Traffic Bureau which is tasked with policing the state's highways and roads. An additional \$5.11 million pays for Enforcement.

However, not all of the money spent at the Division of State Police pays for troopers on the road. Both the Forensic and Toxicology Labs receive 100% of their funding from the Highway Fund, at a cost of \$3.45 million. Rounding out State Police is Administrative Expenses, coming in at \$780,000.