



NORTH CAROLINA
Department of Transportation

NCDOT Update

North Carolina Transportation Secretary J. Eric Boyette

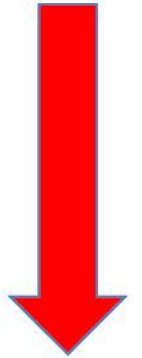


GO  Raleigh

STIP Budget / Project Cost Increases

Pre-COVID – Storm response and legal settlements depleted cash

COVID – Revenues affected



~\$2B total estimated decrease in 2020-2029 STIP budget

>\$3B in cost increases between September 2019 and June 2020

-Emphasized the need to improve accuracy of NCDOT's cost estimation practices

Fundamental Insights

- Programming (planning) issue, not a cash issue
 - Healthy cash balance
 - 2020-2023 federal STIP remains fiscally constrained
 - At this time, no impact to pre-2024 project lettings
- Coordination with local governments
 - MPOs/RPOs
- Initial Draft 2024-2033 STIP released in May 2022
 - Draft 2024-2033 STIP finalized by December 2022

STIP DEVELOPMENT METHOD



Process for 2024-2033 STIP Development

Step 1 – Start from scratch – build next STIP from existing 2020-2029 STIP funded projects (no new P6 evaluated projects)

Step 2 – Develop list of “Delivery projects” – first funded based on upcoming let dates, right-of-way purchases, and grants

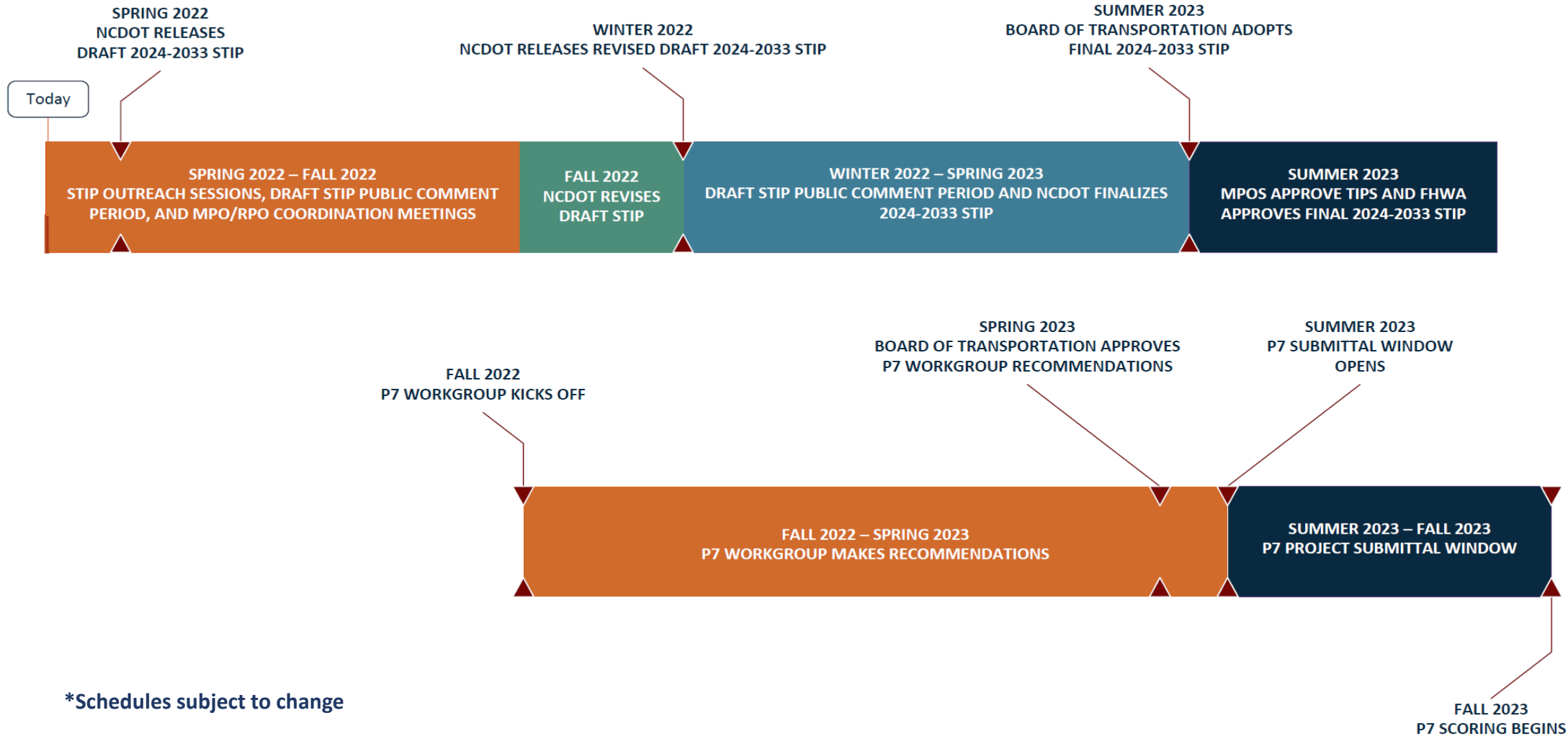
Step 3 – Determine which of the remaining 2020-2029 funded projects remain in STIP: Seniority Approach (P3-P4-P5)

Notes:

- Projects will retain STIP funding as budget allows per category
- Projects with funding removed will be re-evaluated in P7
- Previously committed projects that maintain funding may also have to be re-evaluated in P7 scoring



2024-2033 STIP Programming / Prioritization 7.0 Current Timelines*



*Schedules subject to change



IIJA Overview

Transportation

- ❖ **\$1.2 trillion Infrastructure Investment and Jobs Act**

- ❖ Five-year surface reauthorization is fully funded

Energy &
Environment

- ❖ Historic investments in the nation's core infrastructure priorities – including roads and bridges, rail, transit, ports, airports, the electric grid, and broadband

Water and
Wastewater

- ❖ Increases NCDOT formula funds by 32% (21% highways)

Broadband

- ❖ Enacts changes to expedite permitting, reduce emissions, increase safety, upgrade security, and improve resiliency

Resiliency

- ❖ Invests in rural infrastructure development

IIJA Overview

- ❖ IIJA funds will help NCDOT delay fewer projects impacted by increasing material, right-of-way and labor costs.
- ❖ This federal investment will help offset some of these cost increases and support NCDOT's efforts to build resilient infrastructure and enhance all modes of transportation.
- ❖ It's too early to tell how the funding will impact specific projects.
- ❖ As required by law, NCDOT uses a transparent, systematic and data-driven process for prioritizing transportation projects.
- ❖ NCDOT is committed to partnering with local communities and planning organizations to find and deliver solutions that reflect the needs of each community.

State Budget Overview

- ❖ N.C. General Assembly ended 2021 session Nov. 29
- ❖ Official adjournment Dec. 10
- ❖ All bills passed must be signed or vetoed by then
- ❖ SL 2021-180 Appropriations Act passed Senate on Nov. 17 and House on Nov. 18
- ❖ Governor Cooper signed Nov. 18

State Budget Overview

- ❖ Division of Highways annual increases:
 - ❖ General Maintenance Reserve \$70 million in FY22 and \$111 million in FY23
 - ❖ Contract resurfacing \$50 million
 - ❖ Roadside environmental \$18 million in FY 22 and \$19 million in FY23
 - ❖ Bridge program \$9.8 million (partially offset by statutory decrease)
 - ❖ Bridge preservation \$2.2 million
 - ❖ Pavement preservation \$2.6 million
 - ❖ Powell Bill \$12 million
 - ❖ Additional \$50 million contingency funds FY22

