



NORTH CAROLINA

Department of Transportation



State and federal update

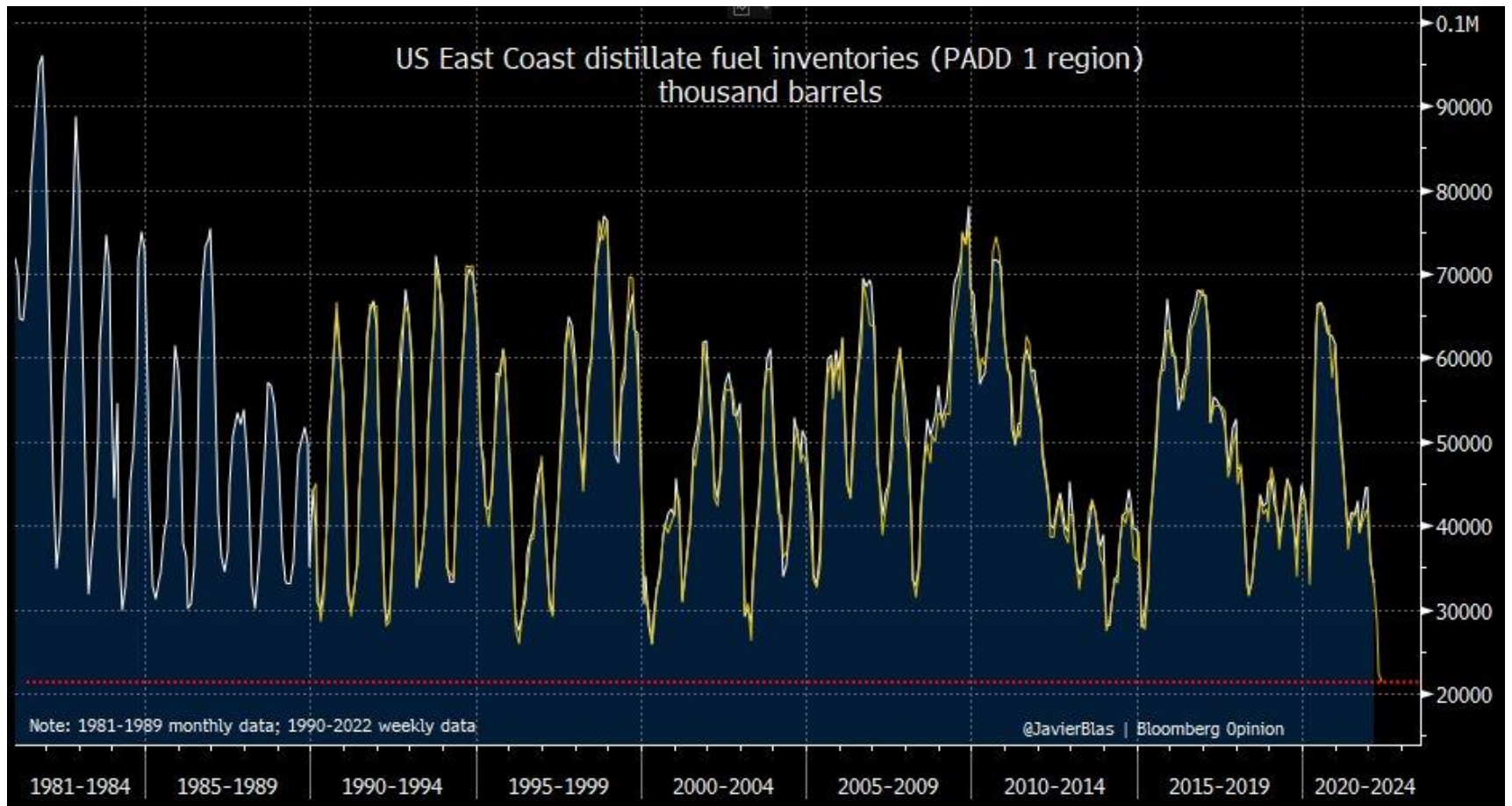
Amna Cameron

May 19, 2022

Federal Update

- Inflation remains high for materials, motor fuels, and new/used vehicles
- Diesel fuel shortages are possible
- Annual Appropriations Bill
 - Community Project Funding
 - Senate: Deadline was 5/13
 - House: Deadline was 4/29
 - Increased to 15 requests per member
- RAISE deadline was 4/14; 2 proposals submitted
- Upcoming deadlines
 - MEGA/INFRA/Rural Surface applications due 5/23
 - NEVI deployment plan due 8/1

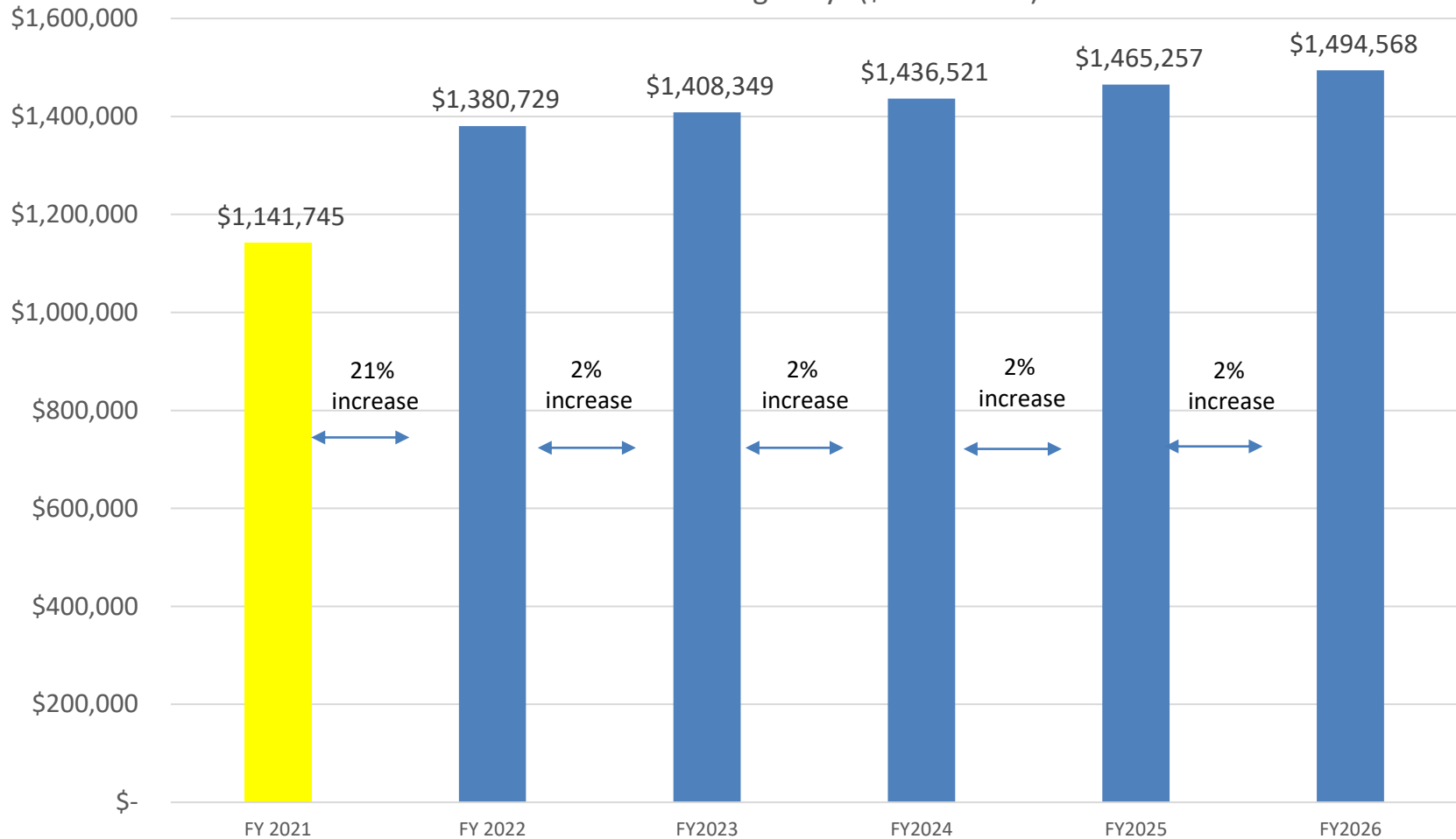
Fuel Update



Source: Bloomberg

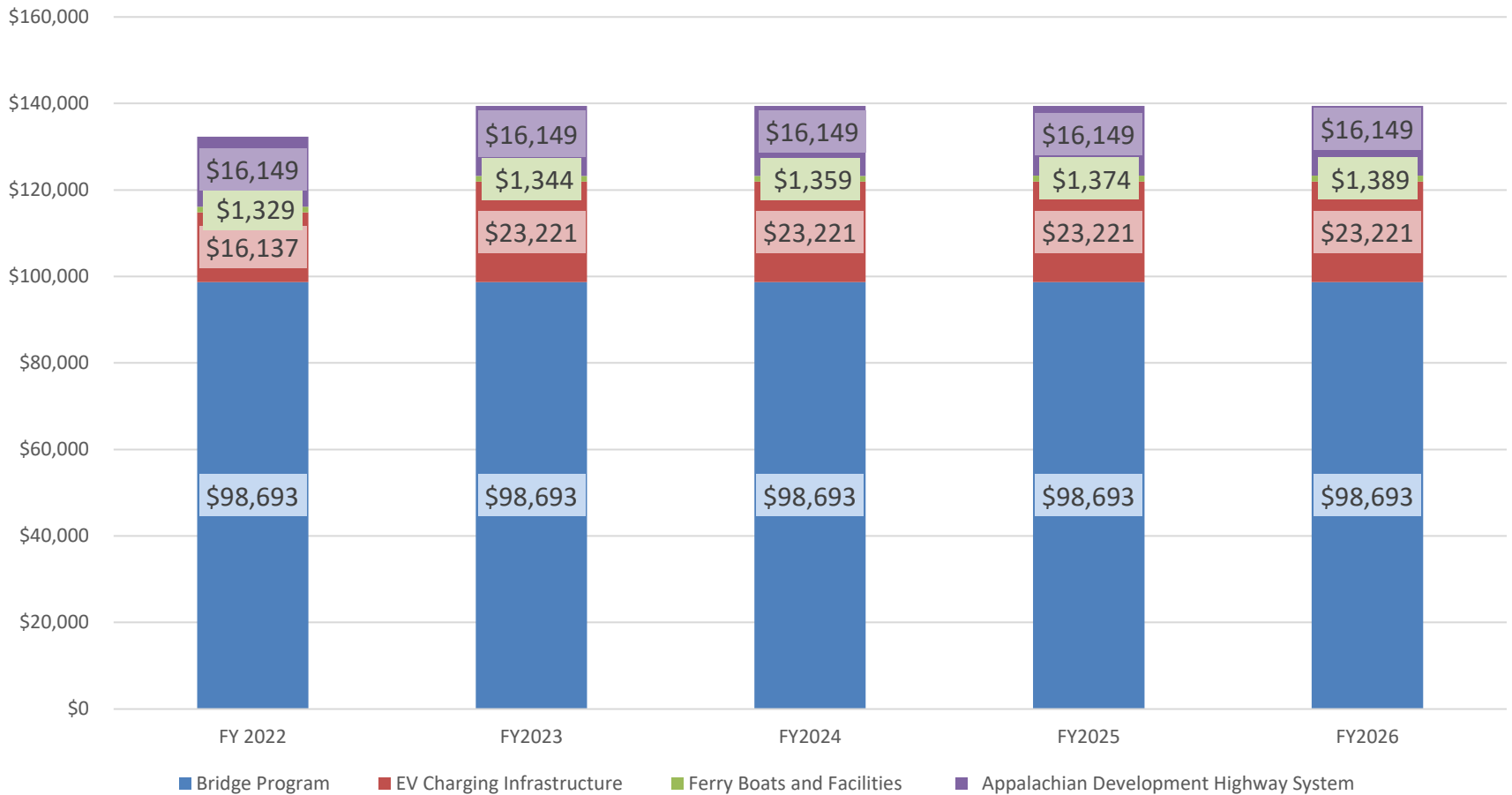
IIJA Update

US Share - Fed Aid Highways (\$ in Millions)



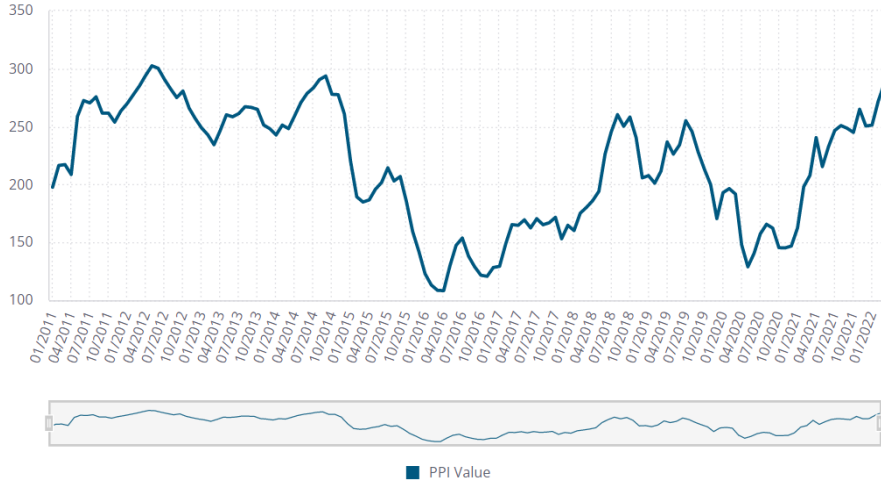
IIJA Update

Other Federal-Aid Formulas (General Fund) (\$ in millions)

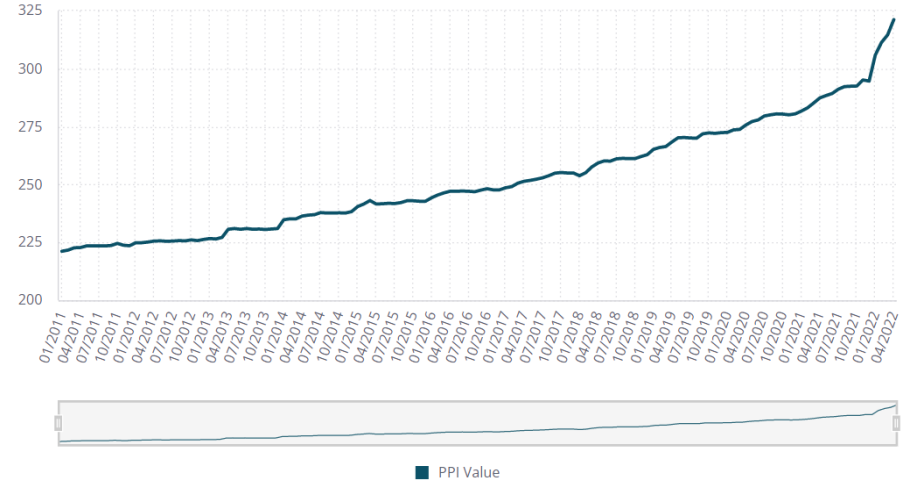


Inflation

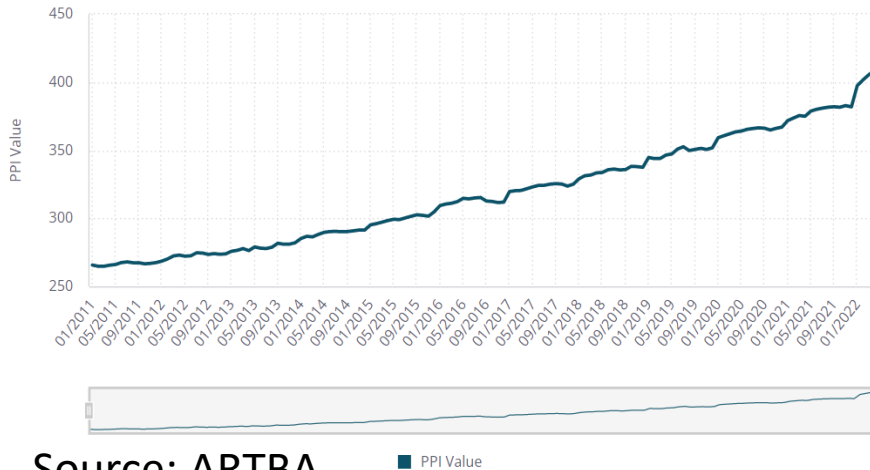
Asphalt



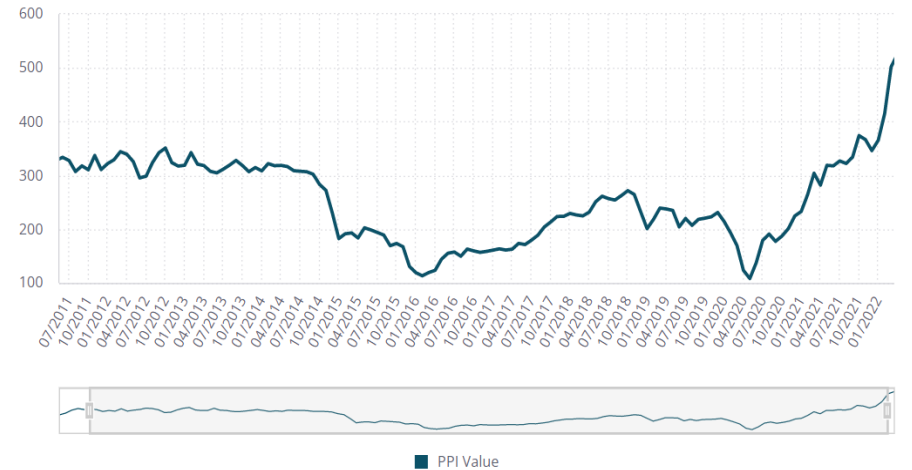
Concrete Block and Brick



Construction sand and gravel (aggregates)



Diesel Fuel



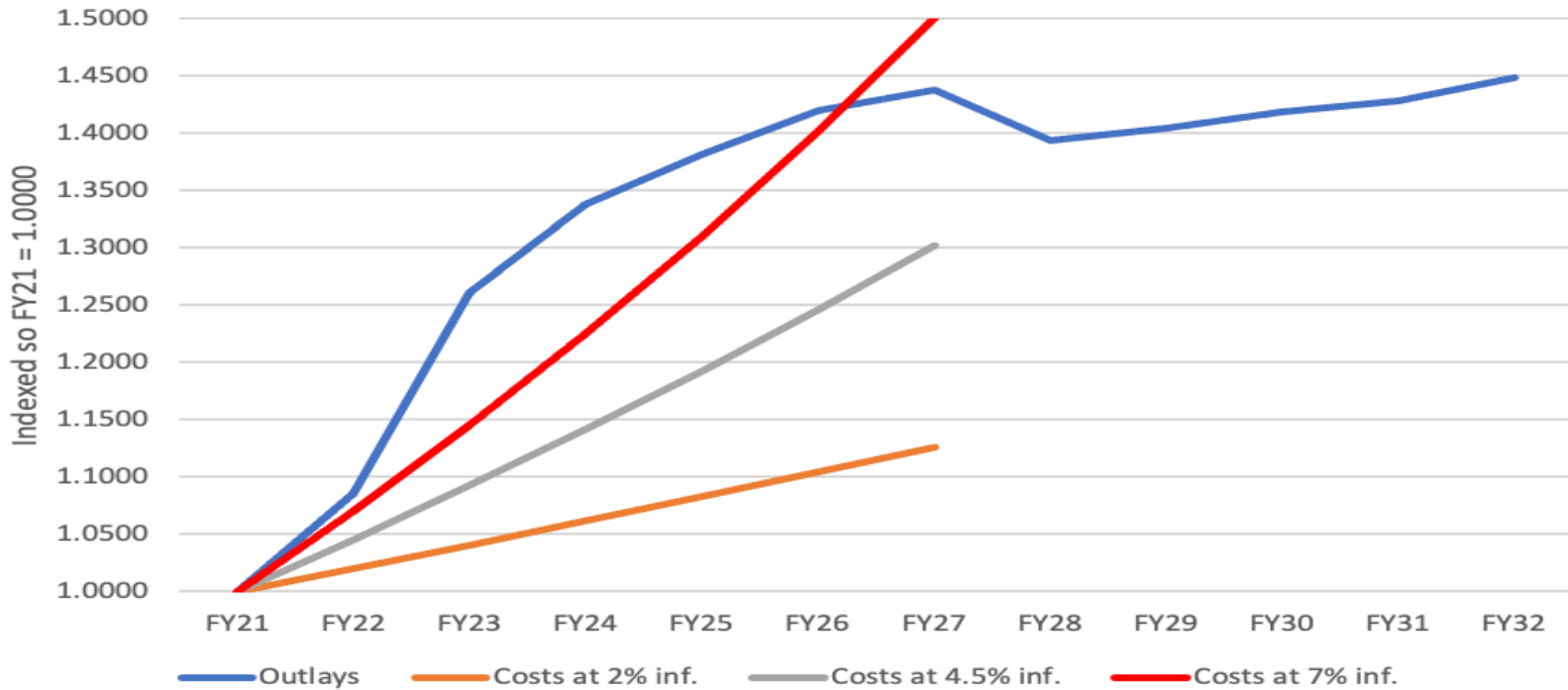
Source: ARTBA

■ PPI Value

■ PPI Value

IIJA and Inflation

Projected Annual Federal Highway Outlays vs. Three Construction Cost Inflation Scenarios



| Inflation Rate | 2% | 5% | 7% |
|-----------------------|-------|-------|-------|
| IIJA Inflation Impact | 21.4% | 52.3% | 85.8% |

Consensus Forecast: Transportation

- Trends:
- ✓ Steady economic growth
 - ✗ No recession
 - ✗ EV impact



Motor Fuels Tax



Highway Use Tax

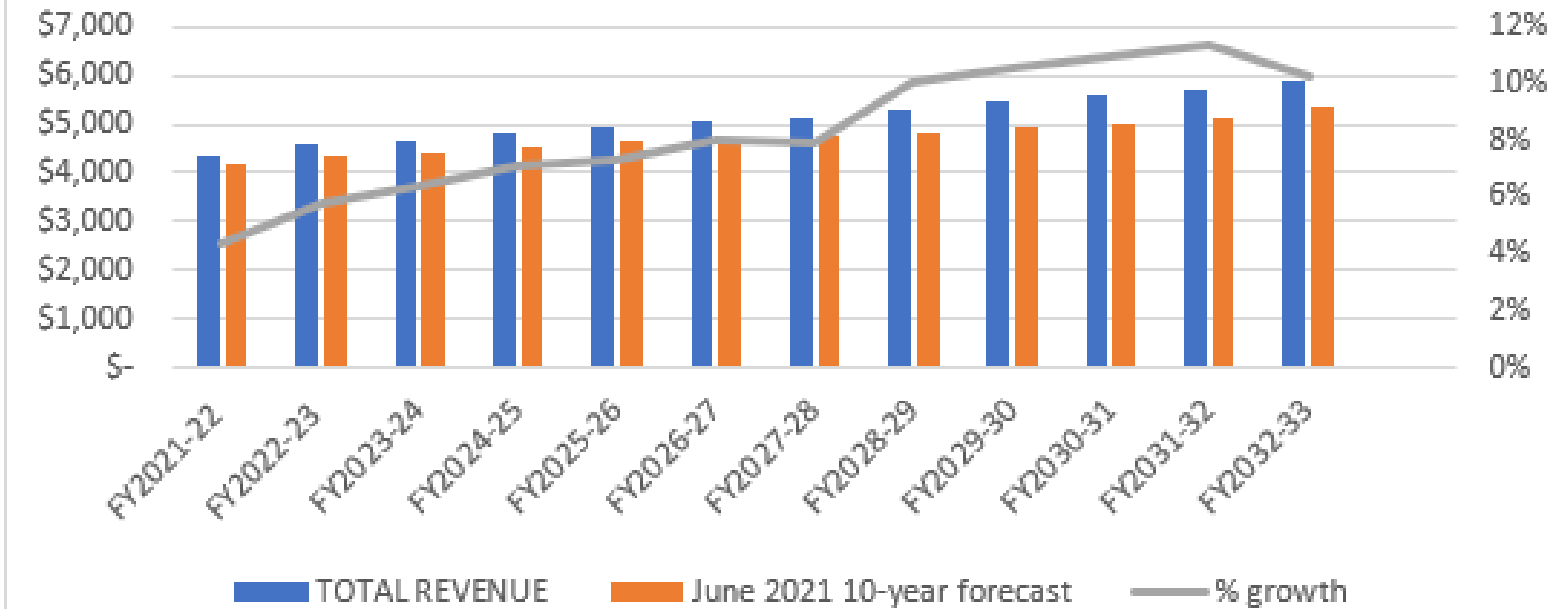


DMV Fees

| | Motor Fuels Tax | Highway Use Tax | DMV Fees |
|-------------|-----------------|--------------------|------------------------|
| Inflation | MFT rate | Purchase price | Quadrennial adjustment |
| Consumption | VMT grows | Car sales increase | SUV/Truck sales |
| Population | MFT rate | | Registrations increase |

Consensus Forecast: Transportation

Consensus HF/HTF Forecast,
May 2022 and June 2021 Comparison



Consensus + 10 Years (May 2022)

Total Highway Fund

Total Highway Trust Fund

TOTAL REVENUE

| | FY2021-22 | FY2022-23 |
|--------------------------|-------------------|-------------------|
| Total Highway Fund | 2,734.1 | 2,745.1 |
| Total Highway Trust Fund | 1,626.8 | 1,835.5 |
| TOTAL REVENUE | \$ 4,360.9 | \$ 4,580.6 |

Source: Final Consensus Forecast

Consensus Forecast: General Fund

May 2022 Revised General Fund Consensus Revenue Forecast (\$ in millions)

| | FY 2021-22 | FY 2022-23 |
|---------------------------------------|------------------|------------------|
| Revised General Fund Revenue Forecast | \$32,651.2 | \$30,709.6 |
| Certified Revenue | \$28,409.9 | \$28,751.6 |
| Change | \$4,241.3 | \$1,958.0 |

Transportation Goods and Services

| | FY 2019-20 | FY 2020-21 | FY2021-22 |
|---|-----------------------------------|-----------------------------------|--------------------------------------|
| Type of business | Gross Collections (Actual) | Gross Collections (Actual) | Gross Collections (Estimated) |
| Motor vehicle dealers | \$99,892,481 | \$109,841,185 | \$123,733,561 |
| Service stations | \$41,846,505 | \$47,369,632 | \$52,414,378 |
| Garages | \$79,094,683 | \$84,467,704 | \$96,376,434 |
| Motorcycle and bicycle dealers | \$16,147,718 | \$20,446,163 | \$19,638,878 |
| Automotive supply stores | \$124,873,661 | \$143,669,990 | \$140,419,815 |
| Others | \$17,862,107 | \$20,996,092 | \$21,773,651 |
| Oil and petroleum products dealers | \$34,474,958 | \$37,742,377 | \$39,064,794 |
| Tire dealers, recappers and repairers | \$52,446,047 | \$57,861,472 | \$65,226,500 |
| Manufactured home (mobile home) dealers | \$3,500,635 | \$4,079,606 | \$4,163,096 |
| Automotive Group - 4.75% | \$470,138,795 | \$526,474,222 | \$562,811,107 |

Source: Final Consensus Forecast and NCDOT